THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

Foreigners and the Future Status of Tsingtao

American Policy Toward Manchuria!

By Ken Shen Weigh

The Economic Conference and the Political Situation

By J. B. P.

The Chinese Soldier, His Equipment and Activities

By H. F. Misselwitz

The Crisis in the Revolution

By Harry Paxton Howard

評論報 密勒氏

SATURDAY, JULY 7, 1928

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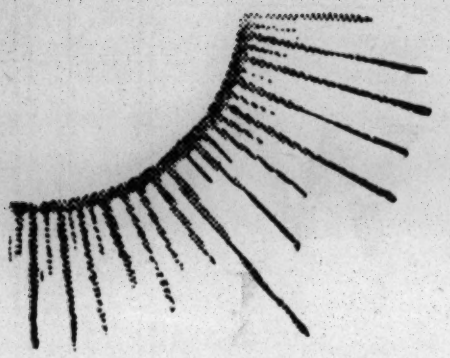

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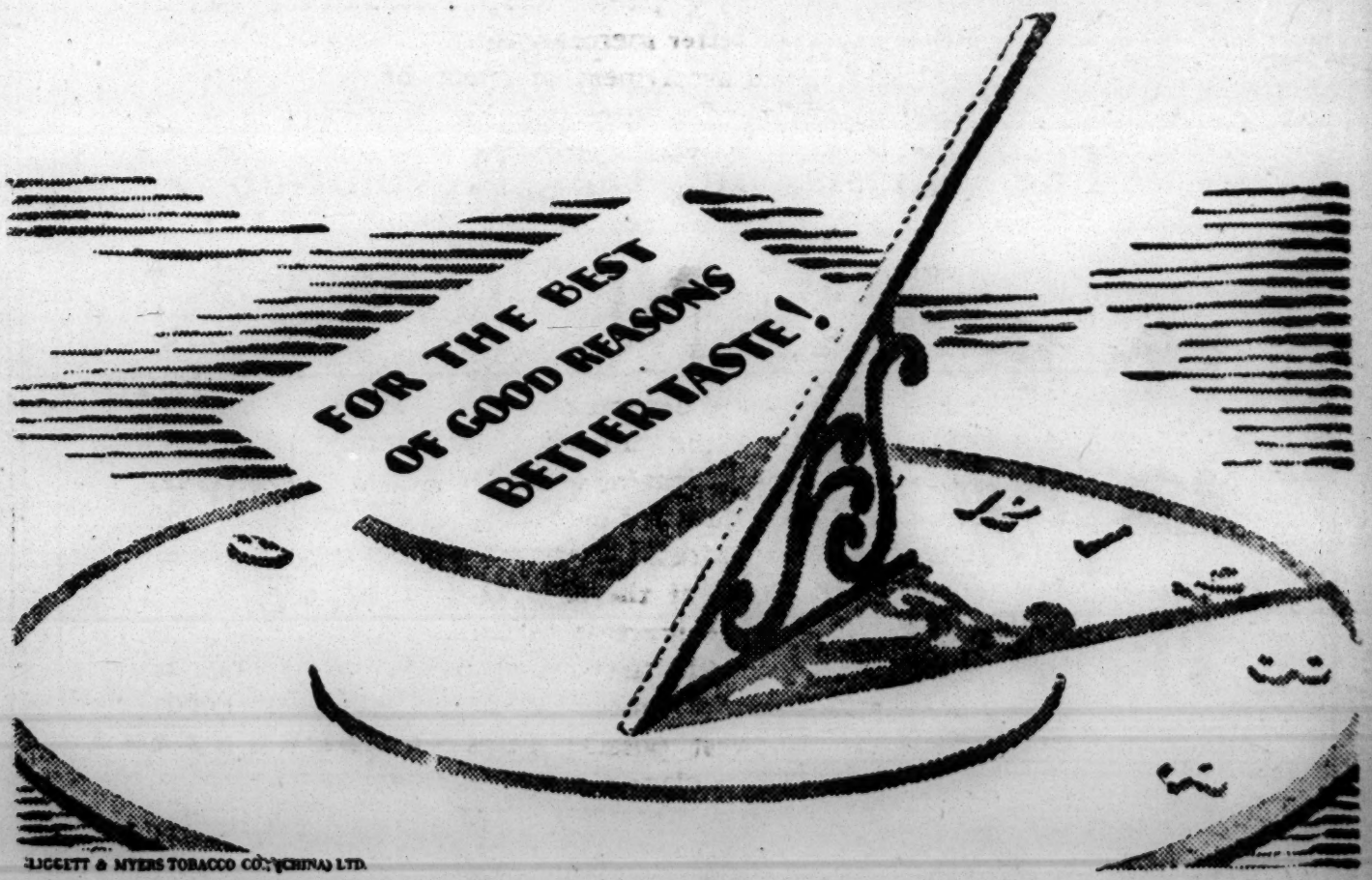

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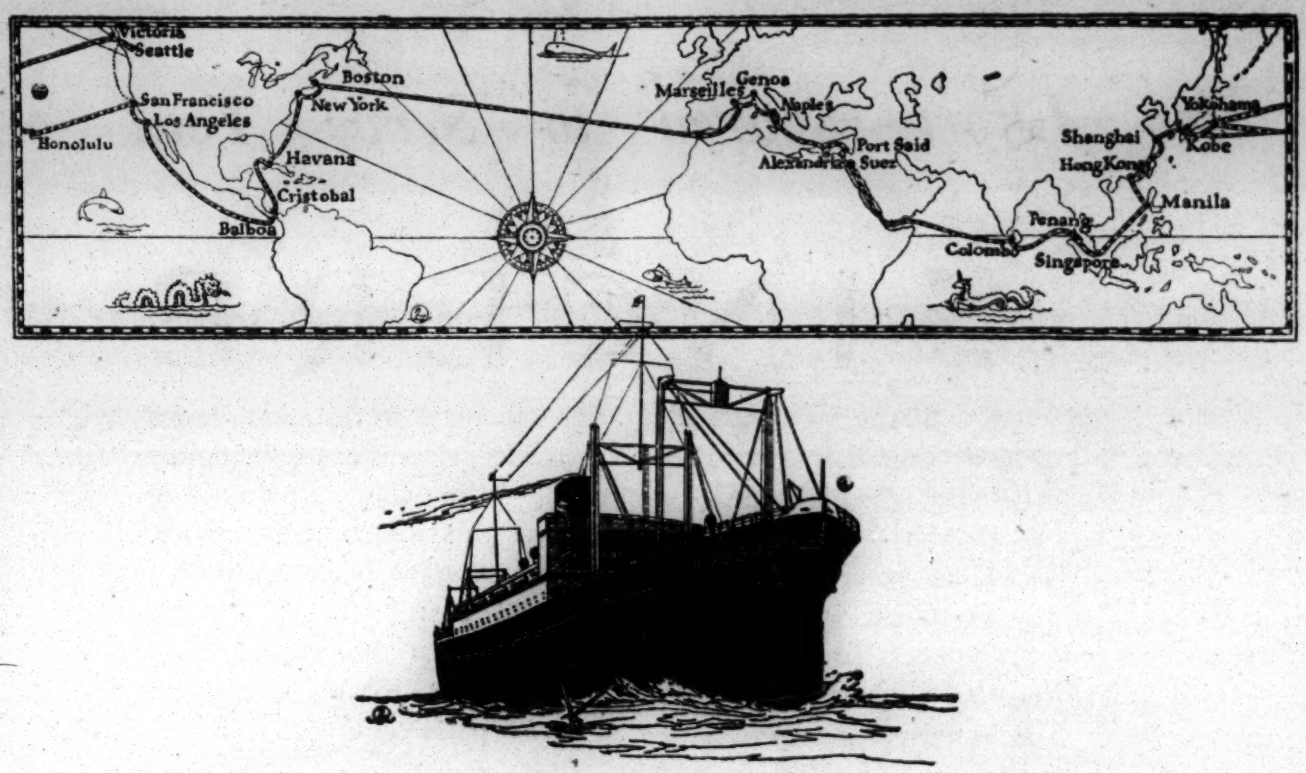

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THE CHINA WEEKLY REVIEW

Formerly Millard's Review

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VIOLATION OF CONSULAR ARCHIVES AT TIENTSIN

DR. CHARLES JAMES FOX, editor of the *North-China Star*, the American newspaper at Tientsin, published an editorial in the issue of his paper on June 22 based on the recent raid on the Soviet Consulate at Tientsin by twenty Chinese police who were acting under orders of Gen. Fu Tso-yi, Chinese garrison commander in that city. Dr. Fox quoted from three eminent American authorities, three British and one French, on international law showing the inviolability of consular archives, stating that the principle is so well established that it should not be necessary to quote legal authorities on the subject. He concluded his editorial by stating that it would be possible to quote legal authorities of almost every nationality on the face of the globe on the subject of the inviolability of consular archives, "hence it is unfortunate, to say the least, that those in charge of the foreign relations of the Nationalist Government here in North China should not have foreseen and prevented this international delinquency committed by the Chinese police acting under orders of a Nationalist General in invading and searching the consular archives of a foreign power." According to the report, some twenty Chinese police with drawn pistols invaded the Soviet Consulate and searched the building from ground floor to attic despite the protests of the Soviet officials. One of the Chinese news reports of the incident stated that Gen. Fu Tso-yi, the Shansi commander who ordered the search, was prompted to take this action by a "certain foreign power" in Tientsin. Whether this report is accurate or not we do not know, but if true it makes the case all the worse. Dr. Fox is exactly correct in his denunciation of the incident for there is nothing that will do more to undermine the confidence of foreign nations in China's ability to maintain law and order than actions such as that of Gen. Fu Tso-yi at Tientsin and the Chinese military authorities at Canton last fall. The incident at Canton was even worse, for several officials of the Soviet Consulate were dragged into the street and executed. At Shanghai and Hankow the situation was handled much better when the Nationalists broke off relations with the Soviet Government for there was no violence. There was a near-tragedy at Shanghai a few weeks prior to the breaking off of relations through an attempt of a mob of white Russians to raid the local Soviet Consulate, but the Chinese authorities fortunately had nothing to do with this incident which was inspired solely by Shanghai foreign die-hards. While the responsibility for these illegal acts must rest upon the Chinese, they are not solely responsible, for much of the violence of

the Chinese is caused by so-called anti-communist propaganda campaigns which are engineered by foreign residents in China. Admiral Mark L. Bristol, Commander of the U. S. Asiatic Fleet, recently commented on these anti-communist activities in China and stated that they were merely having the effect of driving the so-called communists underground and making martyrs of them. He stated his opinion that many of the alleged communistic activities in China were merely protests on the part of the "under-dogs" in Chinese society who are trying to obtain a square deal after many years of oppression and persecution. Foreigners in China who for one reason or another secretly or openly encourage the Chinese into these unlawful actions are simply playing with fire for an unlawful raid on a Soviet Consulate is quite likely to be followed by raids on the American, British, Japanese or German Consulates the next day.

THE DAY OF THE CHINESE ENGINEER IS APPROACHING!

IT HAS BEEN reported that there are more than 2,000 Chinese engineers, men with modern technical education and many of them graduates of leading educational institutions abroad, who now have nothing to do in their chosen profession. Some of these men have been able to apply their technical training in construction work in the foreign ports and a few have been able to obtain jobs in government departments, but the great majority have been unable to find jobs in their chosen profession and have been forced to accept uncongenial work in order to earn a living. A prominent American engineer sometime ago remarked, after reading Dr. Sun Yat-sen's book on the reconstruction of China, that the engineering societies of the world should make Dr. Sun their "patron saint" because if he ever got into a position where he could put his plans into effect there would be work for engineers in China for the next thousand years. Dr. Sun is now dead, but his plans for the reconstruction of China are very much alive as is shown by the resolutions which various organizations are now passing on the subject of reconstruction. The recent economic conference in Shanghai recommended the immediate inauguration of motor-road construction, harbor development, river conservancy, railroad construction, the idea being to provide work for some 1,000,000 surplus troops which now must be disbanded. It is not expected that the whole scheme can be put into effect at once, owing to the shortage of money, but that the desire exists is generally recognized. This means much to the Chinese engineering profession; especially to the 2,000 and more Chinese engineers who are now looking for jobs. While it is true that China lacks ready capital, it is also true that there is plenty of money in the country if confidence can be restored sufficiently to bring it out. Mr. T. V. Soong, the Nationalist Minister of Finance has proved through his recent nationalist loans that there is plenty of money in China for war purposes, hence the suggestion that similar effort and enthusiasm should now be devoted to the raising of funds for constructive purposes. Since this is a subject of vital interest to the engineering profession, it would seem that the Chinese engineers should also interest themselves in this subject and lend their support along with the bankers, businessmen and industrialists, toward reconstruction. They really have more at stake in the subject than anybody else!

THE CHINESE ADMINISTRATION IN SINKIANG

THE JUNE NUMBER of *Asia Magazine*, New York, contains a timely article on the subject, "The Chinese as a Dominant Race" which is of very great interest at this time owing to the action of the Nationalist Government last week in re-appointing Gen. Yang Tseng-hsin as Governor of Sinkiang, or Chinese Turkestan as that region is popularly called. Sometime ago it was reported that the Nationalists were contemplating the appointment of Gen. Ma Fu-hsiang, the Mohammedan commander under Marshal Feng Yu-hsiang as governor of Sinkiang, but later the decision was made to reappoint Gen. Yang Tseng-hsin, who has ruled Sinkiang almost continuously since the first revolution in 1911. The article in *Asia* was written by Mr. Owen Lattimore, a foreign businessman who has resided in Sinkiang for many years and is familiar with the area. The article is of interest in that it certifies to the administrative ability of the Chinese race in a wild frontier country inhabited largely by nomadic tribes. Sinkiang is located west of Outer Mongolia and is bordered on the north by Siberia and on the south and southeast by Tibet and Kansu Province. Mr. Lattimore's account of conditions in Sinkiang, while not entirely complimentary of Chinese methods, does nevertheless give them credit for great administrative ability in the ruling of a frontier country inhabited largely by semi-barbarous tribes. There is an added interest in the article in view of the recent establishment of a Mongolian and Tibetan Bureau at Nanking and reports that the native chieftains in Inner Mongolia had unfurled the Nationalist flag and had indicated their desire to affiliate with the Nationalist Government. Nothing, however, has been said about Outer Mongolia, which to all practical effects has become a part of the Soviet Union, largely as a result of the misgovernment of that area by the Chinese general "Little" Hsu several years ago who was finally driven out and practically all of his troops massacred by the Mongols. The vast territory embraced in Inner and Outer Mongolia and Sinkiang, which are practically inaccessible owing to the lack of modern means of transportation, are really comparable to North and South Dakota and Montana in the United States. Some day they will be connected with the Chinese coast by railroad and motor-road and when that time comes they will provide an outlet for the overpopulated coastal provinces. It is particularly significant that the Nationalist Government is beginning to pay attention to what is going on in these areas. Mr. Lattimore, the writer of the article about Sinkiang, referred to in the foregoing, states that the word *imperialism* has come to have a bad meaning in the Chinese press when applied to the aggressions of foreign nations in respect to China, but that when applied by the Chinese themselves in the frontier regions to the west, it does not carry a similar meaning.

THE BOMBING OF CHANG'S TRAIN STILL A MYSTERY

IT IS NOW a month since Chang Tso-ling's train was bombed while it was passing under the viaduct of the South Manchuria Railway near Mukden. The incident occurred on June 4 and it is now established that the erstwhile warlord of Mukden and later Dictator of China probably died a few hours after the explosion, although official announcement of his death was not made until several weeks

later. So far there has been no definite news as to how the bombing occurred. Shortly after the bombing took place the Japanese government announced that an investigation into the incident was being made and that the findings of the investigation commission would be made public "within a few days." These few days have lengthened into a month and still there is no announcement by the Japanese authorities. The area in which the bombing occurred has, by long-standing agreement, been patrolled by a permanent Japanese railway guard placed along the lines of the South Manchuria railway. As has been pointed out previously the explosion occurred in daylight. Japanese sentries were behind sand bag barricades within a few feet of the spot where the explosive was touched off; also Japanese patrols had been traversing the area for days before the disaster occurred. Hence the fact the Japanese Government has not published its findings, if any, with regard to the explosion has left a bad taste. To date Tokyo does not know who set the bomb off or how it was set off, whether or not any of the perpetrators of the murders have been captured, or the motive for the crime.

WILL THE NATIONALISTS BE ABLE TO ELIMINATE "SQUEEZE"?

THE *China Critic*, an excellent weekly magazine which recently has been started in Shanghai by Chinese interests, contained in its June 28 issue an article on the subject, "Revolution and Squeeze," it being stated that one of the principal objects of the Nationalist Revolution has been to establish an honest and incorruptible government in place of the *old mandarinate which has for hundreds of years practiced graft and corruption.* The article stated that foreigners in China have talked about "squeeze" so much that it has become a by-word inseparately connected with China. One of the modern dictionaries gives a definition of "squeeze" "To extort tribute, taxes, or the like from; harass by exactions; reduce, as wages, to the lowest amount." The word has, however, come to have a further meaning in all kinds of business transactions in China and is a synonym for "commissions" that is, commissions to persons involved in business deals. It has always been most prevalent in dealings with Government departments; for example, firms selling merchandise to the Government have been accustomed to boosting the price above the regular selling price and then dividing the extra profit with the official responsible for the purchase. It used to work out something like this: An official of some railroad would place an order for steel rails. The normal selling price, plus cost of handling and insurance would be so much. But the foreign dealer in quoting prices would add another profit to cover "squeeze" for the official placing the order and in many cases, sad to relate, the foreign dealer would participate in the "squeeze" with the Chinese official, which explains how some foreign merchants on low salaries are able to live luxuriously in the Far East. But all of this happened of course under the old regime, when, to quote from the article in the *China Critic*, "the old mandarinate .....practiced graft and corruption." After the graft exposures of the late Harding Administration in the United States. we have heard less of criticism of Chinese governmental corruption on the part of Americans in China, but as the article in the *China Critic* states, "talk of similar corruption in Western politics, and of large bribes received by foreign government officials,.....cannot put Chinese squeeze in a better light." The following paragraphs from the article by the Chinese writer referred to in the foregoing, indicate the modern views of the Chinese on this question.

> "A crime is a crime, no matter how prevalent its practice. We can gain nothing by our attempts at justifying our shortcomings; the only thing to do is to fight corruption and wipe it out. Of course graft is practiced by all classes of society in all kinds of social relations. A business agent may "squeeze" his principal; a servant may "squeeze" his master. Relatives and friends may practice graft on each other. Sometimes the term is inaccurately applied, as when a middleman buys goods for a customer and charges him more than the cost to himself. Foreigners sometimes call this also "squeeze", although it is really middleman's profit. But, on the whole, most forms of "squeeze" are dishonest practices, and deserve the strongest condemnation. As the custody and disposal of government funds involve a sacred trust of the nation, squeeze of such funds is certainly the worst possible offence of this nature.
>
> "The Chinese term opposite to graft is lien, which signifies honesty in financial matters. Under the old monarchical regime, salaries of government officials were generally known as yang-lien, "promotion of honesty" In fact, they were so low that it was impossible for the officials to be honest. For instance, before the modern salary system was introduced towards the end of the Manchu dynasty, officials of the central government of the ranks of lang-chung, yuan-wai and chu-shih, as well as yu-shih, which were considered the eyes and ears of the emperor, practically received no salary but had to make their living out of presents from district magistrates, prefects, and other officials who had control of some territory and who belonged to the same native province. In winter such presents, which were always in cash, were known as tan-chin, or "charcoal gifts", and in summer, ping-chin, or 'ice gifts." When the local officials visited Peking, money gifts must also be made to their fellow-provincials who held offices in the central government. There were so many local officials making such gifts that those in the central government could manage a meagre living on these presents, but there were also so many entitled to such presents in the central government that the local officials, whose own salary for the "promotion of honesty" was often only 50 taels or so a month, found it impossible to make both ends meet without resorting to squeeze. The squeeze was usually more than sufficient for the purpose, and all officials of the central government looked forward to the time when their turn for appointment to provincial posts would come, when they would be more than recompensed for the hardships they had suffered in Peking. Of course, some of them who had enough influence to secure good positions for their friends in the provinces could also obtain large sums of cash gifts, which were, therefore, in the nature of bribes. Thus the system of the Manchu government was a direct encouragement of squeeze.
>
> "In the likin collectorates and other revenue producing offices corruption was naturally most easily practiced, as the sole duty of such offices was to collect revenue, and the central and provincial governments only wanted to be sure that the revenue did not fall short of a certain amount, and would not mind if the men in charge of the offices pocketed the surplus. It is learned from men of much experience in such offices that on the average only about a half of the likin revenue went to the government, the other half was usually divided by those in the office in the following proportions: the superior official who controlled the appointment to the collectorate, 30 per cent; man in charge of the collectorate himself 50 per cent; his subordinates in the office, 20 per cent. In order to make the surplus as large as possible, the likin collectorates often competed with the native customs by all kinds of of illegitimate methods. As the tax rates could not be altered, the collectorates colluded with the tax-payers by reporting and taxing only a portion of the goods. The merchants, finding the likin collectorate exempted more goods than the native customs, naturally preferred shipping their goods by the route where the collectorate was located, instead of the customs barrier. At the same time, the native customs officials would do the same thing to certain other merchants and induce them to forsake the likin route and pay their duties at the customs. Thus it gave rise to the ridiculous situation of two government offices competing with each other by cutting down tax payments as if they were two shops competing for business by cutting down prices.
>
> "All these evil practices sprang out of two bad arrangements in the government finance of the monarchical regime, ridiculously low salaries and making revenue officers responsible for a specified amount instead of for

all revenue collected by them. These encouraged corruption and squeeze; in fact, made them necessary, if not justifiable. But under the Republic—even towards the end of the Manchu rule—salaries were increased for many posts, and there could no more be any excuse for squeeze. It cannot be said that men who receive a few hundred to more than a thousand dollars a month are unable to make a living unless they practice graft. Do not many people live at much smaller incomes than theirs?

"One of the slogans often seen on the walls in Nanking houses reads: Establish a clean and honest government. On the drum tower in the new capital were written the four words: Li, yi, lien, tse—observation of social standards, righteousness, honesty in pecuniary matters, and sense of shame for wrong doing—these four qualities have always been considered "the four pillars of the nation." The exhibiting of these four words in large print on the prominent drum tower means a constant reminder to the government officials to cultivate these qualities. There was also a rule with the Nationalist Government that any body in the government service who receives more than $500 in bribes should be shot on the spot. Yet we hear many stories of men in the government services now who receive bribes and practice squeeze. As these are mere stories, without evidence, we sincerely hope they are not true. Still we wish to point out to all government officials that one of the principal aims of the National Revolution is to wipe out the old mandarinate and substitute for it a clean and efficient government, and it is one of the things that secured the sympathy and support of the people for the Revolution. Any one in the government who practices squeeze is, therefore, a counter-revolutionary, and deserves the severest punishment that may be meted out to men of this class."

DEMOCRATS NOMINATE "AL" SMITH FOR PRESIDENCY

GOVERNOR Alfred Emanuel Smith (generally referred to as "Al") of New York was nominated for President and Senator J. T. Robinson of Arkansas was nominated for Vice President at the Democratic National Convention held at Houston, Texas, last week. The nomination of Governor Smith was almost a foregone conclusion from the start, although the nomination was not made until the second ballot. On the first ballot the Ohio delegation gave its vote to Senator George of Georgia, and thus Smith failed by a few votes to gain the necessary two-thirds vote which the Democratic procedure requires. On the second ballot, however, the Ohio delegation changed over to Governor Smith and thus made his nomination sure. Senator James A. Reed was among those who was proposed for the office of President, and his supporters staged a noisy demonstration in his favor. Reed, however, did not secure any great support in the actual voting. The Democratic platform, like the Republican platform, calls for the strict enforcement of Prohibition. On the subject of Prohibition, however, Governor Smith later made a statement that "common honesty compelled one to admit that there is corruption among the officials appointed to enforce the Prohibiton law, while bootlegging and lawlessness are prevalent throughout the country." Other planks in the Democratic platform are: Immediate granting of independence to the Philippines; protection of American lives and rights abroad; reduction of armaments; noninterference in the elections and other internal political affairs of any nation, particularly mentioning Mexico and Nicaragua; support for an efficient merchant marine, with continued Government operation, but with a gradual sale of ships and lines to private owners. The Democratic nominee for the Presidency is 55 years of age and a Roman Catholic. He is the first person of that religion ever to have been nominated for the Presidency. He was educated in parochial schools; he has not had any university training. He was born on the East Side of New York, is personally very popular, and has a clean political record. The Vice Presidential nominee is 56 years of age and was once a farm boy in Arkansas. He is a graduate of the University of Arkansas.

Foreigners and the Future Status of Tsingtao!

THE JAPANESE Government is said to have denied its intentions to include in the demands for a settlement of the Tsinan incident a proposal for the establishment of Sino-foreign municipal councils at Tsingtao and Tsinan, a matter referred to in *The Review* on June 23. But despite the Japanese denial there is evidence that Japan has such intentions in mind, and furthermore that foreign merchants and shippers at Tsingtao are lending their influence in support of the Japanese scheme.

For example there have just been received in Shanghai copies of minutes of meetings held in Tsingtao on June 13 and on later dates which indicate that some such move is on foot. These meetings were participated in by foreign firms of British, Japanese, American and German nationalities and according to the report, certain resolutions were passed proposing the formation of a Board of Directors to have control of the Tsingtao Harbor and Wharves, the board to consist of four Japanese, four Chinese, and four Europeans (two British, one German and one American). The functions of this Board of Directors, according to the report, would be to draft regulations, legislation and rules relative to the Tsingtao Harbor and Wharves; make decisions regarding the construction of extensions and improvements; make estimates based upon receipts and expenditures; superintendence of the wharf office; control appointments and dismissals of staff; and other matters pertaining to the future control of the port facilities. It was stated that there is now urgent need for improvements, the cost being estimated at $500,000. The report also contained a statement regarding the receipts and expenses of the Tsingtao Wharf Administration, it being stated that the income in 1927 amounted to about $1,250,000, against expenses of about $700,000, which under efficient foreign management might be reduced to $600,000 a year. It was recommended, in case the Sino-foreign Board could be constituted, that one-third of the net revenues from the wharves would be handed over to the Port Administration and the remaining two-thirds be kept to carry out repairs and improvements. There was also considerable discussion on the subject of control of light-houses in the Tsingtao vicinity, the opinion apparently being divided on whether the light-houses should be under the Harbor and Wharves Board or under the control of the Maritime Customs. Some apparently thought the entire port control should be lodged with the Customs Administration.

The minutes of the meetings of the foreign merchants are particularly interesting as indicating the attitude of the various nationalities regarding the establishment of a Sino-foreign Board. For example, one of the Americans wanted to know about the status of Gen. Chao Chi, the Northern Chinese official in Tsingtao who is still functioning and flying the old five-barred Chinese flag with the obvious sanction and support of the Japanese. The German

members at the meeting also stated that they could not give their approval of anything without previous conference with their Consul and one of the Germans declared he could not approve of the proposal unless it met with the sanction of the Chinese authorities. The Japanese were very active in the meeting and it was stated that the final proposals of the conference were to be handed to the Japanese Consul, Mr. Fujita, apparently for the purpose of reporting to his home Government and also for the purpose of bringing them to the attention of the other foreign governments having interests at Tsingtao.

The attempt of the foreign merchants and shippers at Tsingtao to bring about better conditions for foreign trade in Shantung is perfectly easy to understand in the light of the mis-government through which that province has passed as a result of the mal-administration of the Fengtien general and bandit, Chang Chung-chang. Everybody, Chinese and foreigners alike suffered from the extortions of Chang Chung-chang, hence it is but natural that the foreign merchants should now be taking advantage of the situation to propose a plan for guaranteeing the future security of trade. If the Nationalist Government could be induced to accept the proposal for the creation of a Sino-foreign Board of Control of Harbor and Wharves, it probably would contribute greatly toward the future prosperity of the Port of Tsingtao. But the very fact that this action is now being taken when the Japanese are in control of the city and of the area along the Tsinan-Tsingtao Railway and Tsinan, is likely to have the effect of damning the proposal in the eyes of the Nationalists, who, sooner or later are bound to come into control of the province. The same thing applies in connection with proposals which have been made by the foreign chambers of commerce in Tsingtao for the creation of a Sino-foreign municipal council and the attempt of the Japanese merchants in Tsinan to create some form of foreign municipal control in the Shantung capital. In other words, the Chinese attitude will be to discredit the whole scheme because of the Japanese connection; which is exactly what happened to various similar schemes which were proposed prior to the rendition of the Kiaochow Bay area and the Tsinan-Tsingtao Railway to China following the Washington Conference.

The Japanese press in China, particularly the *Manchuria Daily News*, an official paper published by the Japanese Government-owned South Manchuria Railway at Dairen, has recently made much of an alleged promise of the Chinese at the Washington Conference to create a municipality at Tsingtao that would contain foreign representation. The *Japan Chronicle* (British) in commenting on this subject recently declared,

> "There was no decision at the Washington Conference for the introduction of a special municipal system, whatever that may be. What the Shantung Treaty provided was that, 'pending the enactment and general application of laws regulating the system of local self-government in China, the Chinese local authorities will ascertain the views of the foreign residents in the former German leased territory of Kiaochau in such matters as may directly affect their welfare and interests.' No provision has been made, however, for the representation of foreigners on the Municipal Council, and it is stated that this is due to objections by the American and British residents at Tsingtao. The Japanese population outnumbers all others by twenty to one, and if there were foreign members of the Council they would be all Japanese."

The editor of the *Japan Chronicle* then quoted a statement from Mr. T. F. Millard's book which says that "soon after the Chinese took over the Government at Tsingtao they approached the American and British Consuls privately, put the situation before them, and said if the foreign members were British and American, the Chinese would be glad to have them, but they were reluctant to admit again the wedge of Japanese authority. Since American and British and other European residents at Tsingtao preferred to live under exclusive Chinese jurisdiction rather than revert to quasi-Japansee authority, the American and British Consuls thought it better to allow the treaty right to lapse. On their part the Japanese have not pressed the point, probably because of wider political considerations."

These paragraphs from the *Japan Chronicle* indicate the complications which are likely to develop again in connection with any proposals on the part of Americans, Britons or Germans for the establishment of some form of foreign voice in the future control of Tsingtao and its harbor and wharves. The foreign Powers will be extremely reluctant to give support to anything which would provide Japan with an opportunity for driving a new political wedge into the future control of this area. The Japanese merchants in Tsingtao and Tsinan may be perfectly honest in their efforts to cooperate with the other foreign merchants in obtaining guarantees for the future honest administration of Tsingtao and Tsinan and the 250-mile railway connecting the two cities, but the Japanese Government is certain to use any resolutions passed by organizations of foreign merchants in Tsingtao for ulterior purposes in establishing their own future control in Shantung Province.

To consider the situation from the standpoint of the Chinese, they are obviously embarrassed by the terrible record of mis-government to which Shantung was subjected by the bandit-general Chang Chung-chang who set at naught all the promises which the Chinese delegation made at the Washington Conference. However, the fact stands that the Chinese did, for a considerable time following the Washington Conference, give Shantung and the former-German concessions in that province a good administration. The government set up in Tsingtao and the administration of the Tsinan-Tsingtao Railway which was set up largely as a result of the efforts of Dr. C. T. Wang who handled the negotiations with the Japanese for the redemption of the area following the Washington Conference, was generally above criticism. The railway met its interest and amortization payments to the Japanese regularly and it was only after the downfall of the Chihli Party and the coming in of Fengtien control that mis-government and extortion became the prevailing order. The Japanese propaganda, however, makes no mention of the era of good administration and only calls attention to the bad administration of Gen. Chang Chung-chang, a member of the Fengtien Party which the Japanese have supported in North China for many years.

The Japanese are obviously becoming nervous regarding their position in Shantung and North China generally, owing to the attacks which are being made upon them by the opposition parties in Japan and by the foreign press abroad. The *New York World* in a recent editorial discussion of the Japanese position in Shantung labeled the report of Japan's attempt to establish "international" municipal control at Tsingtao and Tsinan as "*sly, desperate imperialism.*" The editorial said, "Certainly the Japanese should receive justice and are entitled to an impartial investigation and full reparations for their losses if the findings of the impartial investigation are in their favor, but reparations is one thing, and the Shantung Railway is another. By no authority under international law is Japan entitled to make the economic resources of Shantung a condition for settlement of the reparations

question. This is not justice. It is imperialism. It is sly, desperate imperialism, precisely on a par with the imperialism of the Kaiser in 1897 when he made the murder of two missionaries an excuse for original spoilation of the Chinese rights in Shantung. We trust that the policy attributed to the Japanese Government does not accurately describe the Government's intentions."

Then turning to the opposition to the present China policy of General-Baron Tanaka and the Japanese military party, which has developed in Japan, we find the Minseito (opposition) Party broadcasting a general manifesto on June 21, which stated that it is the duty of the Japanese Government to protect its nationals and their interests in China, but that this protection should have been afforded through ordinary diplomatic channels by conference with the Chinese officials, and if necessary, the evacuation of Japanese from dangerous localities to safer areas. *The sending of an army to China should have been resorted to only as the last measure after the general interests had been duly weighed in the balance*, declared the Manifesto, which concludes with a demand that the Japanese troops should be immediately withdrawn and the Tsinan case settled through diplomatic negotiation.

The Japanese Government is therefore trying to juggle the Shantung question by suggestions for the creation of "special" municipalities and so on and is obviously trying to obtain the assistance of other foreign interests in this regard. Then in addition the Japanese are now beginning to send out stories through their various propaganda channels which are intended to mislead the rest of the world regarding their intentions to evacuate their troops from Shantung Province. A perusal, however, of the semi-official Japanese *Toho* reports which have appeared in the newspapers in China, shows quite clearly that while the Japanese are withdrawing some of their troops from the Peking-Tientsin area, there is to be no actual reduction of forces in Shantung. The *Toho* report on this point was carefully worded to give an impression of withdrawal of troops from Shantung, but those interested in the subject will find that the report stated that while one division would be withdrawn from Shantung, another would be transferred to Shantung from the Peking-Tientsin area. The actual number of Japanese troops in Shantung is unknown outside of official Japanese military circles, but Japan is supposed to have some 20,000 troops in the province. These troops are stationed in Tsingtao and Tsinan and along the 250-mile Chinese railway connecting the two cities. They have created a so-called neutral area of about 20-miles around Tsingtao and Tsinan and along the railway and have forbidden the Nationalist troops or officials to enter the area. Even a delegation sent to Tsinan by the Chinese Red Cross was handicapped in its efforts to relieve distress among the civilian Chinese population and has been forced to get out. The Japanese military went into Shantung as a conquering army and has conducted affairs with a high hand since the original occupation. The old Northern officials are still being protected within the Japanese lines and even the old Chinese flag is being flown in the area. The Japanese did force the Northern army to evacuate from the 20-mile zone about Tsingtao, but the Northern general in command of these troops is remaining in Tsingtao under Japanese protection and the Northern Chinese troops, to the number of some 20,000 are stationed just outside the Japanese military lines and within the shadow of the Japanese bayonets and armored tanks. Even the American missionaries in Tsinan are being handicapped in their work, the Shantung Christian University in that city, having been repeatedly raided and the students forced to evacuate owing to the persecutions of the Japanese military.

General-Baron Tanaka and the military-imperialistic clique in Japan authorized the Shantung intervention for two distinct purposes: First, to block the Nationalist advance against Marshal Chang Tso-ling; and second to use the Shantung intervention as a bartering point in reference to an extension of Japanese interests in Manchuria. The Japanese were unable to prevent the defeat of Marshal Chang Tso-ling and the Nationalist flag is now flying over all Chinese territories south of the Great Wall with the exception of the Japanese zone in Shantung Province. Tanaka has no intentions whatever of withdrawing the Japanese troops from Shantung prior to the accomplishment of his original aims, but since strong opposition has begun to develop both in Japan and abroad, he is now adopting the usual Japanese tactics of trying to camouflage the situation and mislead the world regarding his real intentions. In other words, to quote again from the *New York World*, it's a case of "sly, desperate imperialism" which is now being practiced by the Japanese Government!

General Chiang Kai-shek Heartily Welcomed at Hankow

Amid the roaring of Nationalist naval guns and the wild cheers of 50,000 people, the Nanking delegation consisting of General Chiang Kai-shek, Commander-in-Chief of the Nationalist Forces, and Chang Ching-kiang, Wu Tse-hui and Shao Li-tse, members of the Central Executive Committee of the Kuomintang, reached Hankow on June 28 on the gunboat *Tso You*.

The Commander-in-Chief, accompanied by his American educated wife, stayed in Hankow for only two days, having succeeded in persuading General Li Tsung-jen, the Hankow leader, to go up north with him to attend the forthcoming conference which is to determine the future fate of China.

The welcome accorded to the Commander-in-Chief indicates that General Li Tsung-jen who holds the scepter in the two Hu provinces is in harmony with General Chiang and is co-operating with him in bringing about immediate disbandment of troops in the country.

A "new Wuhan, new Hupeh" is what General Chiang urged the people in Hankow to strive to bring into existence. In a stirring speech delivered at the welcome ceremonies prior to his departure, General Chiang stressed the point that in order to build up a new Wuhan and a new Hupeh the people should all follow the policies of the Wuhan Political Council, the plans of the Provincial Government and the leadership of the Party Affairs Directors.

Chiang Kai-shek Arrives in Peking

General Chiang Kai-shek arrived in Peking on the morning of July 3. Marshal Feng Yu-hsiang did not accompany him. Marshal Feng deputed General Lu Ching-lin to represent him at the Peking Military conference. It is announced that General Feng is ill at present and may arrive in Peking in about a week's time. A large and enthusiastic crowd greeted General Chiang, who was accompanied by his wife, at the railway station. They left immediately for the Western Hills, where they are staying at a Chinese residence not far from Sun Yat-sen's burial place.

Members of Central Executive Committee Summoned to Nanking

The standing committee of the Central Kuomintang has issued a circular telegram to all members of the Central Executive Committee including Messrs. Wang Ching-wei, Hu Han-min, Sun Fo, Chu Min-yi in France, Eugene Chen and Mrs. Sun Yat-sen in Russia, Dr. C. C. Wu and Li Shih-tseng in America, Kan Nai-wang in Germany, Dr. Wang Chung-huei in England and Hsiao Fo-chen in Siam requesting them to proceed to Nanking before July 15th to attend the fifth Plenary session of the Central Executive Committee. The telegram states, according to the *Ta Chung* news agency, that should they be unable to arrive at Nanking before that date they should, telegraph to the standing committee so that arrangements could be made for postponing the conference.

The Chinese Soldier, His Equipment and Activities

BY HENRY F. MISSELWITZ

(*In the New York Times Magazine*)

THE present rumblings in China remind the world once more that there is a civil war in progress in that celestial land, where the North is pitted against the South and the South against its former Bolshevist allies in an internecine struggle that seems interminable. As in the past, reports of merciless slayings and apparently wanton executions are beginning to appear, and no doubt the old tales of Chinese "comic opera" fighting will once more come to the front before the Summer is over.

The Chinese soldier has been much misunderstood, and in some respects underrated, in the Occident, where armies are not only better equipped but soldiers are unquestionably superior as warriors. Warfare in China is conducted essentially in an Oriental fashion—haphazardly and at times almost somnambulantly; but sometimes there are good reasons for the seemingly queer things that the Chinese soldier does, and he is therefore to be explained in the light of his own civilization rather than by comparison with Western methods and standards.

Chinese soldiers in the field have a reputation abroad for cowardliness and running away. The stories of their umbrellas and their numerous eccentricities in war have been popular. Things like that stick in the public mind. But the Chinese have been known to put up some real battles against one another. Two occasions that stand out are the battle of Chengchow, in Honan, and the second battle of Nanking, when Marshal Sun Chuan-fang made his first effort to retake that city.

At Chengchow last May the Wuhan armies, led by General Tang Shen-tse, attacked the North and captured this pivotal city after a week's stiff fighting and the loss of at least 10,000 dead and wounded. It was a battle of which the Chinese still talk, and the men fought apparently as stoutly as any Western soldiers ever battled.

Marshal Sun Chuan-fang, former overlord of the Shanghai area, sought to cross the Yangtse below Nanking, in the vicinity of Chinkiang, in August. He drove down the Tientsin-Pukow railway and captured Pukow. Several thousand of his men crossed the river below Nanking. The battle was hard fought and when it was over the field was strewn with bodies of the fallen. It was no popgun warfare, that battle below Nanking, when Marshal Sun made his desperate bid for supremacy south of the Yangtse in an attempt to return to power in Shanghai.

The Old Tale of the Umbrella

The story sent out about two years ago describing how the Chinese issued thousands of umbrellas to the troops did more than anything else, it seems, to spread the idea abroad that the Chinese are still going in for comic opera battles. One still hears how it was possible to drive out to the front lines near Shanghai and for a few dollars get a soldier to turn over his gun to a private individual and permit him to fire a few rounds at the "enemy." Perhaps that did occur once but it is told by the old residents with a bit of a grin and many mental reservations.

The Chinese soldier's umbrella, a great paper affair, is his pup tent. He has no other covering, day or night. The Chinese revolutionists have had no funds to provide tents for their men, but they did the next best thing—they provided the soldiers with umbrellas. That sounds odd to the foreigner, yet it works out in an extremely practical fashion. The army, let us say, is being moved up to the front along a railroad, as I saw it being moved last June, toward the Suchow-fu front, near Shantung. The cars in which they ride are open freight cars used by the military as transports.

The men often live in these cars for days, packed and jammed into them so that it is impossible, it seems, to move. I tried to ride in one of them and it was not a comfortable proposition. Fortunately, our party got better accommodations. The men cannot get out if it rains, and it rains often in the Spring and early Summer in China. Hence, rather than have them get soaked and force the men to live and sleep in a pouring rain, the army bought umbrellas and gave one to every man. A troop train in China on a rainy day looks like a long yellow dragon—each car has a roof of yellow oiled paper, of which the umbrellas are made.

In the field, a man can curl up under his umbrella in such a manner as to keep most of himself dry. All a Chinese army has to do when it camps for the night is put up its umbrellas and curl up under them. They are not so satisfactory as a pup tent, but they are easier to carry and, more to the point, are vastly more economical.

There are, to be sure, instances in the civil war where discipline is not at all what it should be and the men are not always alert and on their toes fighting. This is specially true where there is no immediate danger of attack. The army, stretched out across the country, then becomes more or less idle and the men in small squads are for days at a time under the command of only a corporal. The Captain or higher officer is not seen. The men lie in the shade of their umbrella-tents and, if they are holding the line in an active sector, take time out only to shoot off their rifles on infrequent occasions, to let the enemy know they are on hand and to prevent their fellows from thinking their unit has been captured or wiped out.

Chinese Campaigning Appears "Human"

I remember talking far into the night one evening with a young Major General about this. He said that it was quite true that the men took their war rather easily at times, but explained it in a way that made Chinese campaigning appear entirely human, if not good military tactics.

"When we have been fighting for days," the General said, "our men naturally get tired. A lull in the attack often occurs for that reason. So far we have not been in danger of a counterattack, and when we discontinue a push we settle down to wait until we are ready to proceed once more."

This was in June with the Nationalist Army. Since then disruption in the party and the success of certain operations of the Northern entente have made many changes, and the South has been attacked more than it has attacked.

"In these days of waiting our men are scattered out across fields and meadows in squads, with sentries all along the line," the General continued. "The men become undisciplined for the time being. They lie around all day and night, and only occasionally fire their rifles into the air or over the top of their temporary refuge—anywhere, just to make a noise and to prevent any mistake about their being still on duty.

"But in battle this is all changed. Our men charge just as bravely as any soldiers anywhere. The Northerners have not the spirit we have, and they are not willing to die to protect their overlords. Our men are revolutionists and are willing to die for the cause."

This generalization, of course, is not entirely true. However, with the constant propaganda circulated among the so-called Nationalist armies and with the now comparatively slight leaven of soldiers who started out a year and a half ago from Canton really believing in the revolution and, possibly, willing to die to see it succeed, the Kuomintang soldiers may be said to have had, at least until the beginning of last Summer, a better morale than their adversaries.

The Chinese soldiers one sees in Yangtse Valley have little enough in the way of modern equipment. They are given a uniform, a rifle, a blanket a bayonet and a canteen. They are rather an unkempt lot, few having shoes. The Nationalists wear for the most part the regulation straw sandal, but all have umbrellas. They have no gas masks because no Chinese army has ever used gas. Tanks are virtually unknown. There are a few Chinese-manned airplanes in existence, chiefly in the armies of Marshal Chang Tso-lin. The artillery is comparatively small, being confined chiefly to guns of three-inch bore and less.

Coolies are used to transport ammunition. They are also used by the artillery units. There is no time in the field usually to construct a base for the field pieces, and after every shot the gun must be dragged back into position. The larger drop back several feet when in action, and coolies, grunting and chanting, pull them with ropes back into place before the next shot.

Chinese Soldier Has Hard Life

The life of a Chinese soldier is hard. He gets the worst of coolie rations on an average, except when he is permitted to loot. In view of this system one of the "rights" the soldier expects is that of pillage. If an army goes for too long a time without its men having an opportunity to sack a few villages and towns its morale wanes. The men go for months often without pay and, when they do get it, it is only $6 Mexican a month, or less than $3 in our currency. Hence, they are always hard put for what little cash they may need for spending money or for remittance home.

It is, therefore, not strange that a Chinese army loots whenever and whatever it can. Not the smallest removable article of value is overlooked. The foreign houses at Nanking, for example, were stripped of everything that might be sold, including copper wiring, bath fixtures, electric light bulbs,

brass fixtures, telephones and all the rest. Window casings were torn out and carted away to be sold for junk. The profit is small enough. Typewriters sold for 40 to 50 cents. Too heavy to bother with, the soldiers said, and they could not use them anyway.

There is little or no sanitation in the army camps. The Chinese Red Cross tries its best, but that is bad enough. The doctors and nurses are few, medicine is fatally scarce and the equipment is awful. Foreign assistance is sometimes given, but it cannot be effective, particularly in the field.

The officer I mentioned above told a gruesome tale of his experience in the Nanking campaign last Spring along the Tientsin-Pukow railway. He said that a private wounded is as good as dead. There is no way to care for the casualties. A few, he said, are placed in whatever available buildings there are, but they get the meagerest treatment, owing to the lack of medical supplies and well-trained doctors and nurses, and the percentage of deaths is enormous. But most of the wounded privates are not even taken to hospitals, this officer related. Although only wounded and often still conscious, they are rolled into a heap and buried along with the dead.

"Can't be helped," he said shrugging his shoulders. "It is cruel. But what can we do with them? Let them lie there until they die and then bury them? I have seen many a poor fellow shot through the leg or shoulder—a man who could get well with proper medical treatment—begging the doctors and stretcher men not to kill him and bury him with the rest. But they haven't a chance. Their wounds will kill them in a few days anyway. It is best to put them out of their misery."

A Chinese officer sometimes has a chance, he said, but a private in the field never. A bad wound means death one way or another.

Why do they go into the army? Well, they are, in the main, a hard lot in the first place. Most of them are of the coolie type and the army offers a life that appeals to them because they are always assured of at least one or two meals a day. That is better than the chances many of them would have outside the army. A vast number of China's population hovers constantly on the starvation line and the army offers a way out. Then the life appeals to many for its opportunities to travel about, to see places—and to loot. In a way it is romance to these fellows. And then, of course, in the Nationalist forces there are a few still left who believe in the revolution. Conscription may be said to play a comparatively minor part in building Chinese armies, although it is not unknown, particularly in the northern province.

However, the main reason is economic. As long as a man can get enough money to hire an army and constitute himself a warlord, without interference strong enough to control him, he will be a political factor in China. That is what has been the chief trouble in the last sixteen years, since the overthrow of the Manchu dynasty in Peking. China, a medieval country with a vast territory and an enormous population, may be compared to Europe in the Middle Ages. Warring barons then hold power by strength of arms. One was loyal to his overlord because it was to his benefit to be so. The barons changed their allegiance overnight whenever it suited their fancy and carried their armies with them. Thus, dukes rose and fell as their supporters remained loyal or disloyal. It is the same in China today. The warlord of China has little loyalty to any one except himself. If he changes his allegiance suddenly it is because he will benefit. His ignorant soldiers follow him because he is their source of a livelihood.

Central Chinese Postal Administration Now in Shanghai

The Chinese Postal Administration commenced to function in Shanghai July 1, the various officials from Peking having arrived here to take up their posi ions. C. H. Shields, Postal Commissioner in Shanghai, has been appointed Acting Co-Director to officiate during the absence of H. Picard Destelan, who has gone to France on sick leave. Mr. Shields is British; Mr. Destelan is French. All the postal records have been removed to Shanghai, and the Administration will function here in the Post Office building until suitable headquarters can be provided at Nanking.

Chinese Urge Removal of Wire Barricades Around Shanghai

General Chien Ta-chun, Commander of the Shanghai and Woosung Gendarmerie, in a recent communication to Wunsz King, Commissioner of Foreign Affairs for Kiangsu, requested the latter to negotiate with the Consular Body in Shanghai for the demolition of the barbed-wire barricades around Shanghai. General Chien stated that the barricades seriously affect communication in the city and hamper the business of the owners of the stores located behind them.

"A Condition—Not a Theory"

BY CHARLES JAMES FOX

(In the North China Star, June 24)

Many years ago when theory and concrete facts were engaged in a political battle in American politics, and where theory, as is usual in practical commonsense America, came out second best, President Cleveland sized up the situation in a remark that at once became famous: "It's a condition, not a theory, that confronts us." This remark comes spontaneously to mind when one reads, with Admiral Bristol on the theory end of the argument, the *United Press* despatch from Tokyo, by Miles W. Vaughn, on the possibility of the American Marines being taken out of China in the near future.

Mr. Vaughn, in our opinion, is one of the ablest newspaper correspondents in the Far East, and he has sent out from Tokyo an accurate account of Admiral Bristol's opinion on the situation in Tientsin and North China generally, as it was known here several weeks ago. For reasons more or less obvious little or no publicity was given to the Admiral's opinions on this subject here, but now that the story is being carried around the world in the *United Press* service we see no reason for not publishing it, so it appears elsewhere in our issue today.

Admiral Bristol is undoubtedly an able man. Even others admit it. In the Navy and in Turkey he "has deserved well of his country," as the French say in paying a high tribute to a public official. But he is not that kind of a mental genius who, however hard he tries, can come to China with a really open mind. On the other hand, he is neither conceited, nor mentally stubborn enough, not to learn and revise his opinions, however reluctantly, after he has come into close contact with conditions in China. He was quick to spot and swat the foreign treaty-port die-hard, in Shanghai and elsewhere. It is perhaps but natural that he should have gone to the opposite extreme, at least for a time. There is no doubt that Mr. Vaughn's despatch accurately describes Admiral Bristol's opinions, even on his recent visit to Tokyo, just before he came here.

When the Admiral arrived here one of his first orders was that all the wives of Marine officers should be put aboard the Chaumont as a first step in the immediate evacuation of the Marines. This order was cancelled, and as the Admiral is in supreme command as far as the Navy and Marines are concerned, it was of course cancelled by himself, after listening to advice of those who have been on the spot far longer than he has.

"Let 'em go, we'll defend the Concessions!" was the answer of our good old reliable Fifteenth Infantry when they heard that the Marines were about "to pull out." But Americans, other foreigners, and many, many Chinese were glad that both the Fifteenth Infantry, with their knowledge of and experience in China, and the Marines, with their tanks, field pieces and airplanes, are both here to assist the other foreigners, as well as the Chinese police and troops who are ready to defend Tientsin in case of emergency. All the foreign troops and the Chinese are on most friendly terms, and the laudable ambition of General Butler and his Marines finally to leave China without ever firing a shot will in all probability be realized.

But the presence of foreign troops, under present conditions, is necessary, however objectionable their presence on the soil of a foreign friendly state may be in theory. Admiral Bristol appears to have been convinced, both by what he has seen and by what he has been told by American officials and others, both in Tientsin and Peking. The Admiral, as he says, is in supreme command of the Navy, but he, like all other American officers, naval, military or civil, are public servants, and they have to take orders from above, just as they issue them to those below. The Admiral may recommend, but it is the Government at Washington which decides whether the Marines or other troops remain here or not

Sentiment is a powerful factor in American public life and especially in foreign affairs American public sentiment is strongly opposed to keeping American troops in China or in any other foreign land. But the self-same sentiment would kill any move that might place Americans in the light of "quitters" while the danger lasts. When the danger is really over the American troops, Marines and others, may be the first to go. But in our opinion they will never "quit." "The flag stays put" is the sentiment of most Americans. In determining when the danger is over, Admiral Bristol should recall President Cleveland's, "It's a condition, not a theory, that confronts us."

Admiral Bristol Favors Withdrawal of Troops

By Miles W. Vaughn

(United Press Staff Correspondent)

Tokyo, June 22.—America's military forces in China, consisting of some five or six thousand marines and soldiers on

duty in Tientsin, Shanghai, and areas around those cities, may be withdrawn within the next few months, according to reliable American sources in Japan.

Rear Admiral Mark L. Bristol, commander-in-chief of the American Asiatic fleet now on service in China waters, according to American sources here, believes the forces of the United States should be sent home as soon as possible and that the United States should keep entirely clear of the embroiled China situation.

Admiral Bristol is in entire command of the American naval forces, including the marines, and it is believed here he is entirely opposed to the present program of protecting American interests with troops, and that if events in North China are reasonably satisfactory during the next few weeks he will recommend the naval forces ashore be withdrawn. American warships, of course, presumably would remain in China waters as usual, The contingent of American infantry which has been stationed in Tientsin for many years is not under Admiral Bristol's jurisdiction but it is believed that if the Washington Government should decide on withdrawal of its marines the infantry troops also would be sent back to the United States.

It is known that Admiral Bristol, during his recent visit in Peking, discussed the matter thoroughly with the American Minister, J. Van A. MacMurray. The Minister previously, it is understood, had favored presence of the United States forces and there has been no indication here that he has changed his viewpoint.

In support of the contention that the American forces should be taken out of China as soon as possible it is argued:

1. That America now has the good will and friendship of a majority of the Chinese people and that the presence of American troops on Chinese soil endangers this friendship. It is argued that it would be far better to evacuate American nationals than to risk becoming deeply involved in China.

2. That the expense of maintaining the American units is far greater than any conceivable benefit which may accrue to American interests from their presence there.

Legation Guard To Remain

There is no indication in Tokyo that any recommendation will be made for withdrawal of the American Marine "Legation Guard" force in Peking, as this body is sanctioned by Sino-American agreements and has a definite status; or that there will be any decrease in the usual naval patrol work such as the American naval craft on the Yangtse river.

It is fully realized here that it the American land forces are withdrawn it will cause a considerable commotion in international circles, particularly in Britain and Japan, which also have large numbers of troops in China. However, despite international pressure, it is believed Admiral Bristol may make the recommendation soon if the situation around Tientsin is quiet. Should there be a second incident like the recent fighting between Japanese and Chinese troops at Tsinan, however, the chances of a recommendation for withdrawal of the American troops would be lessened.

Admiral Bristol Speaks at Tsingtao on Old Days in China

Admiral Mark L. Bristol was a speaker at a recent meeting of the Lions Club in Tsingtao. The following is part of an extempore address which he delivered, dealing with the old days in China.

"I first came to China thirtysix years ago and stayed for three years cruising in China and Japan. Before I came out here names like "Bubbling Well Road, the Hundred Steps," "Geisha Houses," etc., sounded to me like some enchanted country, and I was not disappointed at the reality. Kipling's words of the East are very true—Ship me somewhere east of Suez where the best is like the worst. Where there aint no ten commandments, and a man can raise a thirst.' Rather sacrilegious perhaps, but it expresses the thing. If you kept an engagement in those days within halt an hour, you were on time. All businesses closed on Race days, and the Tsingtao Races the other day reminded me somewhat of those old days. Everybody knew everybody else, and the jockeys were the personal friends of most people attending them. That was the old China.

"To-day it is not the same thing. The world must have progress, and patriotic Chinese men cannot and do not bemoan the fact that the old China has gone.

"There was anti-foreign feeling in those days just like there is to-day. I remember being shoved off a street in an inland city, and it was because we were looked upon as 'Foreign Devils.' But that feeling was not in any way personal. It was the feeling that taught them that the foreigner was not a friend to China, and to-day there is also a good deal of that feeling in the air. I do not need to say to you gentlemen here how far that feeling is from the truth. My second time in China was in 1912 and 1913. That was during the revolution. Just when it was developing into a real movement. My patrol area of which I was in charge was Swatow, Amoy, and Foochow, to protect American interests there, and though there was a feeling of danger prevalent those of you who were here at that time will realise how groundless was that feeling. I experienced nothing but good feeling, and was made to understand that there was a most cordial feeling on all sides towards us. When later I was at Wuchang I had the privilege to fire the first salute to the Chinese Republican flag. The great statesman, Li Yuan-hung, was in charge there at the time and I recall how sorry I was recently to hear of his death and to think that I will not now be able to meet him at Tientsin.

"One of my disappointments is that now all my old friends in the Orient have either passed on or gone back home, and it makes me realise that I am not as young as I was. But it is a great privilege for us who do not live permanently in China to be here during these historic times to observe the very interesting situation at the present time.

"Although we are not Chinese we all have only one feeling: sympathy with China and the people of China in their present difficulties, and the earnest hope that they may soon be enabled to adjust their present differences and find all possible happiness in the future."

Details of Shanghai Cargo Shipped to U. S. A. During May

The total exports during May from Shanghai to the United States were valued at $4 587,243, according to a report issued by the U. S. Consulate General at Shanghai. The total for the first five months of the year was $22,044,683. There were no outstanding changes from the usual monthly averages, although dried and frozen eggproducts shipments were greater than, for several months past; frozen yolk showed an export for the month of $117,446. Among undressed furs, raccoon skins stood out prominently with $117,642 and weasel skins with $346,144. Cotton lace business was poor, only $73,000 worth being shipped; considerably below the monthly average. Raw silk, by far the principal export from Shanghai to the United States, was shipped during the month to a value of $2,049,960, Tungsten ore appeared in the statistics for the first time this year with $78,457. All figures mentioned above are U. S. gold.

Yellow Taxicab Co. Wins Case in U.S. Court

The Yellow Taxicab Co. recently formed in Shanghai was successful in a suit against Paul W. Kelly, a former official of the company, in the U. S. Court for China July 2. Judge Milton D. Purdy held that Mr. Kelly had made a contract with the plaintiffs giving the latter the option of furchasing the premises at 338 Rue Bourgeat by July 31 for Tls 23,000 and if the option was not taken up Mr. Kelly was entitled to rental at the rate of Tls 1,000 for month for the period the premises had been occupied, In the mearntime Mr. Kelly was enjoined from interfering with the business of the company.

Peking Merchants Want City to Remain as Capital of China

The Japanese *Toho* news agency published a dispatch from Peking July 1 stating that the Chamber of Commerce of that city had prepared a set of resolutions for presentation to General Chang Kai-shek on his arrival there in which a request was made that Peking should be retained as the capital of China in consideration of its historical aspects. A request was also made that various illegal taxes which had been levied by the militarists should be abolished.

Night Harbor Regulations at Shanghai Are Modified

Wunsz King, Commissioner of Foreign Affairs for Kiangsu, in a communication to E. S. Cunningham, Senior Consul, at Shanghai during the week stated that the regulation prohibiting vessels from entering Woosung harbor after dark had been modified so that steamers would not be permitted to enter Woosung between the hours of 9 p.m. and 5 a.m. The restriction formerly was more rigorous (from 6 p.m. to 6 a.m.).

Tsinan Affair Negotiations to be Held at Shanghai

Negotiations for the settlement of the Tsinan incident are announced to be held at Shanghai. Dr. C. T. Wang, the Foreign Minister, during the week telegraphed to the Foreign Ministry instructing that all documents relating to the Tsinan affair be sent to Shanghai at once. Dr. Wang has appointed Wunsz King, Commissioner for Foreign Affairs at Shanghai, as representative of the Foreign Ministry to handle the Tsinan negotiations with Japanese Consul-General Yada at Shanghai.

Japanese News Reports on Chinese Situation

The following news reports are summaries of news messages distributed to the Chinese and foreign press in China by the semi-official Japanese Toho news agency:

Mukden, June 27—It is reported here that Gen. Yang Yu-ting, former chief-of-staff to Marshal Chang Tso-ling, is scheming, to become predominant in the Three Eastern Provinces.

Tientsin, June 27—The Nationalist Women's Propaganda Corps of 20 members has arrived here and is conducting propaganda against Communism and the unequal treaties.

Tokyo, June 28—Baron Fujimura, recently appointed Japanese delegate to the League of Nations in an interview today stated that he would do everything possible to secure a full understanding on the part of the Powers regarding Japan's policy toward China.

Tientsin, June 28—Owing to fear that a severe anti-Japanese propaganda might be taken advantage of by the Communists, the local Kuomintang propaganda corps has decided not to take direct action against Japan, but posters put up here today read, "Abolish the Unequal Treaties," "Down with Imperialism," "Destroy the Communists," and "Welcome the Three Principles."

Tientsin, June 28—Gen. Fu Tso-yi, has issued a warning against anti-foreignism.

Tokyo, June 28—The Japanese Labor and Farmer Party has decided to send Jotaro Kawakami, member of the diet and other high party officials to China on a tour of investigation.

Tokyo, June 28—The Allied China Affairs Special Committee and Foreign Affairs Commission under auspices of the Seiyukai Party, announced today that the Government has decided to remove the 3rd division of Japanese troops from the Peking-Tientsin area and sent them to Shantung and then withdraw the 6th division from Shantung. Also stated that the time of withdrawal of Japanese troops is not yet fixed, but that Japan has no idea of retaining control of the Shantung Railway. Mr. Mori, speaking on behalf of the Commission stated that the Japanese military authorities have forbidden the Chinese troops to enter the Japanese 20 li zone.

Hankow, 28—Japanese Consul-General Takao at Hankow was given a hearty send-off when he departed from Hankow today on leave.

Tsinan, June 29—A Japanese sentinel and two assistants were fired on by Southern "plain-clothes" soldiers today resulting in the death of one; they returned the fire and one Chinese was killed while the others fled to a mission compound.

Tientsin, June 29—Various propaganda organs of the Nationalists are beginning operations here, one being the resumption of publication of the *Min-Kuo Jih-Pao*.

Tientsin, June 29—The Chihli branch of the National Political Council has started a propaganda aiming at the upholding of the Three Principles and abrogation of unequal treaties. Although regular anti-Japanese posters have not appeared, much literature has been distributed containing fabricated news about the Tsinan incident and Japanese activities in Shantung. The Japanese consul has protested.

Tientsin, June 29—Japanese community in Tientsin sends petition to Premier Baron Tanaka urging Japanese Government to postpone withdrawal of troops from North China, the petition stating that there was much looting by Chinese troops in the vicinity of Tientsin and had it not been for the Japanese troops the Japanese Concession might have been entered; also states that the withdrawal of troops should be postponed until Tsinan incident is settled; furthermore states that owing to activities of professional Chinese propagandists, that Japan should keep more troops in China regularly and also maintain gunboats on the Peiho River at Tientsin.

Tsinan, June 30—About thirty-six members of the Chinese Red Cross Society, who came here from Shanghai, accompanied by a group of "belligerents" who have been conducting a secret investigation of subversive activities, have decided to return to Shanghai, being warned by the Japanese Consulate after their activities had been determined by the Japanese military authorities. The Chinese have been granted safe passage through the Japanese military lines.

Tsinan, June 30—It is reported that the 10th Nationalist Army stationed at Taian under Gen. Yang Sheng-chi, is secretly scheming to enter the walled city of Tsinan under pretext of subjugating bandits.

Tsinan, June 30—The Chinese telegraph office here has raised the telegraph fee, beginning from June 1, alleging that it had been ordered by the Nationalist Government.

Peking, June 30—The Peking General Workers Association was formed here today at the Peking City Political Council headquarters.

Mukden, June 30—It is expected that Gen. Chang Hsueh-liang will be installed as Pacification-Commissioner of the Three Eastern Provinces.

Peking, July 1—The Fengtien brigade commander, Pao Yu-lin, who was involved in the incident with the Diplomatic Corps as a result of the disarming of his troops by Feng Yu-hsiang, is shortly departing with 800 of his troops from Peking for Manchuria.

Peking, July 1—It is reported that the Diplomatic Corps is generally of opinion that their Legations will remain in Peking and furthermore that they will not use the new name for Peking (Peiping) in their diplomatic correspondence.

Harbin, July 1—It is announced here that through passenger-ticket arrangements between the Chinese-Eastern and South Manchuria Railways will shortly be instituted.

Tokyo, July 1—Premier-Baron Tanaka in reference to the Tsinan affair said today that in view of the unsettled conditions in North China, the Japanese Government does not consider it opportune to open negotiations despite the fact that preparations have been made; declared that the withdrawal of Japanese troops from Shantung, will depend upon the smoothe negotiation of Tsinan affair; Japanese are still much annoyed by Chinese subversive activities in Shantung which requires Japanese to maintain watchful attitude; declared that all Japanese officials in China are in agreement with him on the Shantung question.

Peking, June 30—Reported here that Chang Tsung-yu, former Salt Inspector at Chefoo, on orders of Nationalist Government, has taken charge of Chefoo salt office and requested resignation of Mr. Berube, French assistant salt inspector; upon receipt of this information the Japanese, British and French Ministers held a meeting and sent a warning to Gen. Yen Hsi-shan and also protested to Nanking Government.

Peking, July 1—Peking Chamber of Commerce today adopted resolutions for presentation to Chiang Kai-shek urging disbandment of troops abolition of illegal taxes and retention of Peking as Capital.

Mukden, July 2—Official installation of Gen. Chang Tso-hsiang tupan of Kirin, as Pacification Commissioner of Three Eastern Provinces held today. Expected however he will soon step aside in favor of Gen. Chang Hsueh-liang.

Mukden, July 2—A certain influential Chinese who has been here on behalf of the nationalists negotiating with Chang Hsueh-liang is leaving for Nanking shortly: it is reported that the Fengtien faction is opposed to the use of the Nationalist flag or the adoption of the Three Principles "in consideration of the historical aspects of the Mukden faction and the Nationalists."

Tientsin, July 2—Owing to the "painstaking" efforts of Su Tai-jen, Commissioner of Foreign affairs here, as a result of representations by the Japanese Consul-General, the anti-Japanese movement has died down.

Tientsin, July 2—The Japanese community in Tsinan has sent a petition to the Japanese General Staff and the Minseito Party, stating that in view of the critical situation and subversive activities of the Chinese Communists and plain-clothes men, Japanese troops should not be withdrawn.

Mukden, July 2—The 5th group army under command of Gen. Chang Tso-hsiang has abruptly withdrawn from the Luanchow district to Kirin and it is reported that Gen. Chang Chung-chang will be assigned the area between Luanchow and Changli.

Tientsin, July 2—A battallion and a group of field artillery belonging to the 18th regiment at Tientsin will depart shortly for Tangshan for summer camping exercises.

Tsinan, July 2—Owing to bandit activities in the vicinity of Tsinan and Hsinchang, the Chinese police today seized a bandit headquarters, at Hsinchang, but all bandits had escaped.

Tientsin, July 2—The discussions pertaining to disbandment of troops are causing much controversy among the various factions here and it is feared that it will cause a second rupture in the Kuomintang.

(*Continued on page 216*)

Liberal Japanese Oppose Shantung Adventure

BY J. A. J.

IT is becoming more and more apparent that the G. $40,000,000 loan which the South Manchuria Railway so strenuously endeavored to obtain from the United States at the instigation of Baron Tanaka was intended to pave the way for a grand scheme to embroil the United States in Japanese adventures in China. As the writer has already pointed out in a series of articles written for the *China Weekly Review*, the sole aim of the Japanese government at this time is to concentrate all efforts in Manchuria and the loan, if put through, would have been followed by another, and still another, until American investments in Manchuria under Japanese aegis would have run into a huge aggregate total. Baron Tanaka figured it out that with so much money tied up in Manchuria, the Americans would be too much worried about it to side with the Chinese in Sino-Japanese squabbles. Consequently, with the Americans on their side, the Japanese would be free to act as they liked. What the worthy Baron failed to appreciate is that American investors are at all times loath to put their money in any international or foreign venture that their State Department does not approve of, and in the case of the proposed G. $40,000,000 loan for the S. M. R., the State Department gave a hint that it did not consider the investment a wise one or words to that effect. The result, of course, was that the loan fell through with a flop.

American investors would do well to steer clear of any Japanese loan schemes so long as the militarists are in control of the government in Japan. Those who so nearly put up the G. $40,000,000 the last time should ponder over and closely follow the Japanese adventure in Shantung. Baron Tanaka sent troops to Shantung and spread them all over the place from Tsingtao to Tsinanfu simply to fish for trouble with the Nationalists in order to find a pretext with which to hold Shantung until such time as negotiations could be opened with the latter in respect of Japan's position in Manchuria. The Japanese, after the series of collapses suffered by the Northerners, realized that the Nationalists were bound to get to Peking and, as already said on a previous occasion, the Powers have been in the habit of recognizing any Tom, Dick or Harry in control of Peking as the "central government." Consequently, upon the Nationalists occupying Peking, the Powers could not very well retire their envoys at Peking to Mukden with Chang Tso-lin and withdraw recognition from the Nationalists.

The Future of Manchuria

Baron Tanaka, knowing all this, caused troops to be sent to Shantung in numbers out of all proportion to the Japanese communities at Tsingtao and Tsinanfu, the prime motive being to enrage the Nationalist soldiery and fish for trouble. These are not the affusions of anti-Japanese writers, as the paid propagandists will allege in due course, but the sentiments of the Japanese liberals themselves. With Shantung in their hands, the Japanese government, Baron Tanaka thinks, could dictate to the Nationalists as to what should or should not be done with the Three Eastern Provinces. The inference is that rather than lose any more territory, the Nationalists would agree to any Japanese scheme in Manchuria so long as the latter would return China to Shantung. Had the G. $40,000,000 loan gone successfully through, either followed by further ones or not, the hands of the Japanese government would have been considerably strengthened. It is the opinion of some Japanese liberals that had this loan gone through, the Tanaka government would not have embarked upon the Shantung adventure on such a grand scale but would have been content with a small force at Tsingtao and a sufficient number of men to keep the railway open between Tsinanfu and Tsingtao. Japanese residents at Tsinanfu and other points would have been evacuated to Tsingtao and the Nationalists would have been told that Kiaochow Territory must be considered a neutral zone. And when the time came to negotiate with the Nationalists over the status of Manchuria. Baron Tanaka could, with a grandiloquent gesture, point out that "it is the duty of His Imperial Japanese Majesty's Government to protect the American investors, amongst other things, from losses resulting out of the chaos in Manchuria should the war be carried into that territory, and for this reason, amongst many others, His Imperial Japanese Majesty's Government cannot see their way clear to have the Three Eastern Provinces made the scene of fighting between the Chinese factions; hence the Three Eastern Provinces, for the time being, would be declared a neutral zone, and in order to assure the Powers of Japan's peaceful and pacific intentions in the Far East, His Imperial Japanese Majesty's Government would not interfere with the working arrangements of the native authorities so long as they would not embark upon any military adventure that tends to endanger the peace and safety of Manchuria." And the American investors, presumably, would thereupon pass around the gingerale bottle and drink to the health of the worthy Baron!

However, the loan scheme failed to materialize, and for want of something better with which to make Japan's position in Manchuria more secure, the Tanaka government altered its plan of operations in Shantung. *It knew* that the military adventure would bring about the desired incidents and it consequently acted upon it. To-day, as all the world knows, Japan is holding Shantung and the propagandists are doing their utmost to broadcast "all the facts" from Washington to Patagonia and London to Timbuctoo. And anyone who says anything to the contrary is, of course, an agitator, a Bolshevik, or indeed something considerably worse.

Baron Tanaka's Loan Scheme

Baron Tanaka wanted to strengthen the position of the Japanese government through an elaborate loan scheme because he appreciated, *inter alia*, the fact that American policy *vis-a-vis* China has always been one of sympathy and non-interference. His only hope in respect of American non-interference in Manchuria lay in his ability to entangle the United States with Sino-Japanese complications through the means of loans secured from American financiers for the alleged purpose of financing the South Manchuria Railway. That the Japanese themselves were able to put up the G. $40.000,000, had the railway needed the money so badly, has been brought out by the fact that in view of the failure of several small banks in Japan, the large Japanese banks had taken in large sums of money from small depositors all over Japan whose confidence in small banks had been shaken as a result. A Japanese trader at Newchwang told the writer at that time that if it were true the South Manchuria Railway stood in need of the money, the large Japanese banks could easily have raised it without the Railway having had to go to America for funds, but, he said, the Tanaka Government merely wanted to show the Japanese public, on the one hand, that it had the entire confidence of Americans, and, on the other hand, it wanted to make the position of the United States precarious in China, leading the Chinese public to believe that the American Government had given up its traditional policy of sympathy for the Chinese.

The loan scheme having so thoroughly failed, the Tanaka Government is holding on to Shantung for all it is worth, and the propagandists are now busily engaged in reviving the sordid details of the Nanking incident so as to discredit the Nationalists abroad.

The writer has no intention to whitewash the Nationalist soldiery. He admits they are not very well disciplined; he would go further than that; he would admit that there is a good deal of ruffianism apparent in certain regiments. As a matter of fact, he has written to other publications upon the subject of the lack of decent behavior amongst the Nationalist soldiers. He admits all these facts to make it clear that he is not a blind, pro-Nationalist. In all his years of experience with the Japanese, he has only once had occasion to complain of the behavior of Japanese soldiers; and this was an incident brought about by the overzealousness of two gendarmes in Manchuria at the time of the Siberian adventure of the Japanese Government of the day. The Japanese soldiery for example do not enter theaters and other places of amusement without first procuring the necessary admission tickets, nor do they enter restaurants for the purpose of feeding themselves at the expense of the proprietors. They do not force the railways to carry them free of charge, nor do they, when in need of firewood, smash up railway wagons. Woe befalls the Japanese soldier who assaults a civilian! In China, such practices on the part of the soldiery are common and the writer is sad to say that the Nationalist soldiers are no better than the Northerners in this respect. But the fact remains that it is only on very rare occasions that Chinese soldiers would go out of their way to molest foreigners; and, in the case of Shantung, Chiang Kai-shek had assured the Japanese he would be responsible for the safety of the Japanese residents. In fact, when they first entered Tsinan, the Nationalist soldiers behaved very well and the Japanese residents were impressed by such good behavior. However, the Japanese military commenced to take high action, disarming Nationalist soldiers and arresting Chinese civilians as though Shantung was a part of the Japanese Empire. They even took pot-shots at the Chinese soldiery. In other words, the Japanese military did their best to infuriate the Nationalist soldiery so as to bring about an "incident." The Nationalists naturally took umbrage and indulged in counter-attacks. No matter

how much the propagandists may endeavor to beat about the bush, and no matter how much the Tanaka government may seek to justify its Shantung adventure, the fact remains that the Japanese deliberately went out of their way to pick a quarrel with the Nationalists so as to find a pretext to hold Shantung. The Japanese government has declared that it would evacuate Shantung in due course. Of course it would,-as soon as it could be bargained off for Manchuria!

Japanese Liberals Oppose Shantung Policy

There is a strong feeling amongst the Japanese liberals against the high-handed actions of the Japanese militarists in Shantung. That these militarists are thoroughly discredited at home there is no question. The Japanese liberals are convinced that the best course would have been to maintain a small force at Tsingtao, evacuating all the women and children from the interior thereto. The men, without family encumbrances, could easily have fended for themselves, and, moreover, without the pretext for an "incident," the Nationalist soldiery, preoccupied with the business of chasing Chang Chung-chang and Sun Chuan-fang further North, would not have given any thought to the matter of attacking the Japanese. The presence of so many Japanese troops and the high-handed actions they employed under orders from their officers caused the Nationalist soldiery to take counter-steps. The Japanese liberals are convinced that the fault lies on the Japanese side, and it is said that even the Japanese victims in Shantung largely harbor this conviction.

Westerners and Chinese have been accustomed to think that the Japanese people are at all times solidly behind their government. Nothing can be farther from the truth. The Japanese people have from time to time displayed keen resentment whenever their government did anything not to their liking and this Shantung adventure is likely to cause the downfall of the Tanaka Cabinet after the Coronation of the Japanese Emperor in the fall. The Japanese people have a sense of chivalry all their own, and they would rather not embarrass their ruler till then, but there can be no question but that, at the conclusion of the coronation festivities, the Tanaka Cabinet will face a very trying time against liberal Japanese opinion. Outside of the military clique and the small coterie of die-hards, not a single Japanese has any desire for entanglements in China. The Japanese merchants have learnt in recent years that whenever the Chinese wield the boycott instrument it means millions and millions lost to Japanese trade and industry. The Japanese workmen, employed in Japanese mills have learnt that an anti-Japanese boycott staged by the Chinese means protracted unemployment. The Japanese petty-traders in China have also learnt that it does not pay them to have an anti-Japanese boycott going in full swing.

Taking it all in all, liberal Japanese opinion would have the Japanese government pursue a more logical policy *vis-a-vis* China than to antagonize the Chinese toward the Japanese, not to mention the matter of causing Japan to be looked upon with unbounded suspicion abroad.

Newchwang, June 1.

American Sales to Soviet Russia Are Double Pre-War Volume

According to a statement recently issued in New York by the Amtorg Trading Corporation, which handles general business between Soviet Russia and the United States, the sales of American products to Russia last year were double what they were in pre-War years. Prospects are that the sales of American products to Russia will increase in future, and the Soviet Government's buying agency is establishing an office on the West Coast, as there is an increasing demand for products and manufactures from the Western part of the United States.

The bulk of orders placed during the past six months has been for industrial and electrical equipment, of which the purchases since October 1, 1927, the beginning of the new Soviet fiscal year, have totalled $7,849,987. Of this, gold mining equipment amounted to about $1,000,000, coal mining $700,000, power-plant equipment $800,000, railway construction equipment $1,300,000, oil-well equipment $990,000, and refrigerating equipment to close on $400,000.

Purchase of raw materials, largely metals, for the same period were $4,302,295, and agricultural equipment $3,993,624. Orders for automotive equipment aggregating $1,072,668, are the forerunners of large purchases of such equipment for Russia. The total of $18,524,681 for the last six months is nearly double the purchases for the corresponding period of the preceding year.

This development of the trade between Soviet Russia and the United States has been accomplished despite the fact that the two countries are not in diplomatic relations with each other, there being neither consuls nor commercial attaches from either one of the countries to the other.

The Crisis in the Revolution

BY HARRY PAXTON HOWARD

WHETHER Chinese Nationalism is to succeed or fail in its immediate objectives is a question which may be very largely decided in the next few months. The problem is as to whether the country, now brought generally under Nationalist control, can maintain unity and develop a commonly recognized and accepted administration. If this can be done, and the personal ambitions of various military leaders kept from developing into actual civil war, a few years of organization and peaceful development may well become permanent—as permanent, that is, as anything can be in these days of change.

But let there be no mistake about the alternative. If now, with all of China proper under the control of Nationalist armies and officials, the private ambitions of militarists are permitted to break into new conflicts, there is little hope for the future. Civil war will go on indefinitely,—for generations perhaps. China has already known such periods of continued strife, and with the many new elements which have been injected into her development recently (foreign interference, Communism, etc.), there is no reason why she should not go on fighting forever—so long as the people will supply the means.

Everything to Gain From Peace

But there is hope that the present unity will develop into a genuine consolidation of the country. Such work as was done by the recent Economic Conference, for example, is invaluable. Taken as a whole, the business elements have everything to gain from a period of internal peace. These elements are powerful—encouragement of their associations and guilds will render them still more influential—and plans made by them on a nation-wide scale are likely to be effective. A common decision to refuse support to any militarist individual or group, in any part of the country, against other armies anywhere in the country, would be a decided curb to the enthusiasm of local Bonapartes.

The Student Army

Another hopeful sign is the organization of a Student Army. It may seem peculiar to list the nascent Student Army as a factor for internal peace, but it appears very likely to be just such a factor. The present mass of the soldiers, it must be admitted, are from the dregs of the social order. The number who have any real conception of the San Min Chu I, or indeed any elementary understanding of Nationalist principles and aims, is certainly a decided minority. A year and a half ago there was sufficient enlightenment among the soldiers to make their attitude a factor in the internal struggle in the South. But it can hardly be disputed that the great mass of present-day soldiers are loyal not to any deep-seated national sentiment, but loyal to whoever pays them,—so long as he does.

Nothing else, indeed, is to be expected. These men come from the landless, destitute millions from whom also come the thieves, bandits, and beggars which infest the land. They are driven by the most primitive and deep-seated urge of all,—hunger. They obey the man who feeds them. Long, intensive work among them can transform them into something better than mere paid killers. But with most of the soldiers this work has not yet been done. And among many even of the more enlightened, their development has taken place in such a way as to create a loyalty directed far more to their own commander than to any general national conception.

The Nationalist Spirit

But with the students there is a different spirit. The formation of the Student Army is due to the spirit of Nationalism so strong among China's youth. It is not based upon loyalty to individual commanders, but to the nation. Many of the students come from the poorer classes, but rarely from the destitute. They are young men with a certain amount of idealism and intelligence, a certain amount of knowledge. They are drawn into military service not through the siren song of the rice-bowl, but the call of national loyalty. They are the type of men—and women, we should add—who are least likely to carry on private internal wars on behalf of local militarist potentates—wars from which none gain and all China loses.

There is no doubt that they may be misled at times, but they will not be the dumb driven creatures of the mercenary armies. And if they take as their slogan, as some have already spoken of taking, "No more civil war!" they can be a tremendous, perhaps at some time a deciding, factor in the establishment and maintenance of real unity in China.

The Press and Public Opinion

If a general front against civil war can be maintained by

the business elements and the student body throughout China, there is little doubt that the vague but powerful thing known as public opinion will be generally with them. Here, however, much depends upon a third factor,—the press. The Chinese newspapers, of course, are Nationalistic enough, one would think. As a matter of fact, however, the extent to which they promote individual militarist ambitions in different places is of serious import,—ambitions which are in essence personal and not national. Some newspapers are owned, founded, or regularly subsidized by some individual military man. Others are the recipients of "gifts" (directly or indirectly) in appreciation of their services in behalf of some such individual from time to time. "Need money for your paper? Try General So-and-So. He'll help you."

Though there are of course a few Chinese newspapermen utterly without principle, working for anyone who will pay them and in any way desired, and betraying and robbing employers, employees, and colleagues alike (I speak from personal experience), such men are happily not typical. They exist among Chinese as among foreign newspapermen—probably less among Chinese, out here at any rate. Most Chinese newspapermen are keenly aware of certain national needs, and know that civil war and rival militarist ambitions are incompatible with the best interests of China. Most of them are unquestionably devoted Nationalists, and it is time now that they recognize that the old policy of boosting one or another military man is a menace to Nationalism, and it must stop.

Some papers, of course, will fail if they adopt such a clear-cut attitude. But papers which are dependent upon some military chieftain deserve to fail. And the business elements, if they are consistent, can force such papers to the wall by refusing them any support in the way of advertising,—just as they could force foreign Imperialist papers to the wall by such organized action. And the press—that great moulder of public opinion—can be one of the most powerful factors in the elimination of civil war and the establishment of unity in China. How soon is the All-China Press Conference to be held?

Efficient Civil Bureaucracy

Let there be no quibbling over words. What is really aimed at—what T. V. Soong and other clear-sighted men are working for—is an efficient civilian bureaucracy. The militarist, as a controlling factor in the affairs of the country, is to be eliminated. The mandarin, the local politician, are to be eliminated. There is to be an efficient bureaucracy, with civilians in control, and with some element of popular control over these civilians. Civil bureaucracy is the alternative to local militarism and old-fashioned corruption.

That there are dangers in extreme centralization is obvious. But so far as present-day China is concerned, such dangers are rather hypothetical. On the other hand, such centralization as will render possible the elimination of likin is clear gain for the whole people,—this being merely an outstanding example. A general co-ordination of the national economy will be a tremendous step ahead.

Administrative Autonomy

As for administrative autonomy, this is quite compatible with national unity. The important thing is that local administrators shall not have sufficient funds and military power to set up in business for themselves. But there is no doubt that a wide amount of local initiative is necessary. If bureaucracy over-reaches itself it will fail. And the problem of local self-government is one which the Chinese people have dealt with for several thousand years,—with fair success when not interfered with by predatory elements.

An immediate point with regard to administrative autonomy is that the outstanding figures in the north of China have proven themselves really capable administrators. There is no reason why they should not be given every encouragement to show this administrative ability to the highest degree in the territories where they are now dominant, and to take part in the general administration of the country. There is also no reason why they should not be hamstrung and hobbled, so far as their ability to attack their neighbors is concerned.

This is the time of crisis. China can achieve internal peace, and devote her energies to the great tasks of building a freer and better nation if she can get through this period safely. But if the people permit private ambitions to start another civil war, there is little hope for the future. That way lies destruction, devastation, and death.

Shanghai, July 2, 1928.

Anti-Opium Association of China is Active

The current issue of *Opium—a World Problem*, the official organ of the National Anti-Opium Association of China, with headquarters at 4 Hongkong Road, Shanghai, contains articles by Dr. I. M. Miller, S. Y. Chi and Bingham Dou, one by the latter being entited "The Opium Question in Shanghai." In the course of this article it is stated that the French Concession is adopting a *laissez faire* policy with regard to opium.

North China and Japan

BY TSAO LIEN-EN

(*Formerly News Editor of the North China Star, Tientsin.*)

Hordes of Manchurian brigands, Shantung hooligans with their faithful cabinet waiters passing through the dusty gate of Chienmen; thousands upon thousands of expeditionary forces advancing onward to the ancient citadel of kings and presidents; numerous flags bearing white and blue dimly revealed in the storm of Mongolian dust; ex-Ministers, former Governors, tuchuns, generals, chiefs of departments and their satellites running away with wives and families; Japanese news agencies growing like mushrooms since the Tsinan incident,—such are among the numerous things one sees in North China, in the last days of Chang Tso-lin. Decidedly, the present period has no parallel in the history of modern China. The eventual unification of China, the relationship between China and Japan are the outstanding events on which the world's attention is being directed.

Now that the Nationalist troops are already in Peking, having covered most of the territories north of the Yellow river, it is important that the economic and military influence of Japan, which has played a significant role in North China politics should not be overlooked.

The Tsinanfu case marks the beginning of a series of diplomatic complications with Japan, which Nationalist China has yet to tackle, as soon as the unified government is realised. The political situation in North China, and in China as a whole, can not be adequately dealt with without due reference to Japan; because, it is a fact generally known that the Island Empire has exerted her evil influence on China, particularly on that vast territory north of the Yellow and south of the Amur rivers. This influence is most strongly felt in Shantung and Manchuria, where Japan has laid hold on two railways and three sea ports.

A Bandit Chief's Rule

Japan was enabled to spread her influence under the old regime. North China for the last two years was governed by a bandit chief, in the person of Chang Tso-lin, who through duress, intimidation and usufruct, pronounced himself dictator. He was in turn supported by a host of illiterate ruffians like Chang Chung-chang, Chu Yu-pu, Wan Fu-lin and the like. With this clique of irresponsible persons in power, whose perspective of government was necessarily circumscribed by the brims of silver dollars, Japan continued her disguised domination, both military and financial, in those regions.

Having special advantages for carrying out her illegal designs under a void administration, Japan naturally disfavored the advance of the Nationalists on Peking. Her selfish interest led to the outbreak of the Tsinan incident, and lately to the bombing of Chang Tso-lin's train. Shortly after the troop collision in Tsinan, Japanese propagandists were quickly at work. The *Toho* News Agency, a recognised official organ of Japan, devoted the main portion of its service to disseminating the Japanese version of the case. The *Nippon Dempo*, previously having agents only in Peking, despatched special representatives to Tientsin and other northern ports. The Japanese Press Bureau, the Japanese Wireless and a train of smaller organs followed suit. Truth was then garnished, news tinctured and reports twisted to suit special ends. Emotion-provoking pictures showing the few Japanese who met their deaths in Tsinan were published in every Japanese subsidised paper in North China and Japan. Thousands of Chinese must perforce die unknown.

When the mysterious bombing case on the S. M. R., a Japanese owned and protected railway, occurred, fantastic reports were circulated, accusing southern spies as real perpetrators of the outrage. Some Japanese reports stated that internal disruption among Chang's own men was responsible for the crime. One Japanese propagandist, Dr. S. Washio, affords some amusement. He says that the bomb was thrown by the ghost of Kuo Sung-lin, who about two years ago met his death at the same crossing. Writing in the *Japan Advertiser* he states,

"The crossing of the S. M. R. line and the Peking-Mukden railway seems destined to be the scene of the most luridly dramatic incident in Far Eastern politics. Some two years ago, not far from here, Kuo Sung-lin's army was annihilated in sight of its objective. He was captured and slaughtered in such a way that if a man leaves his ghost behind him, Kuo Sung-lin's ghost will forever linger about the crossing. In the absence of any reliable evidence of the crime one might say that it was Kuo's ghost that did it. Kuo with his wife, fleeing in a Chinese cart in coolie's attire, were pursued and captured by the cavalry of Wu Chun-sheng, the tuchun of the Amur province and the most reputed general in Chang's camp, who never lost a battle. His reputation and Chang's trust in him were so great that he was often considered as his successor even in preference to his own son. Now the bomb accident

has killed him and Chang's condition is so serious (*his death is now confirmed**) that even if he survives he will probably be a demented man. Even if he lives it seems that the end of his dictatorial power is drawing near. This little incident has frustrated Japanese diplomacy and has done more than the whole Southern revolutionary army can do. Kuo's retribution is almost complete."

This report is as false as it is amusing.

Japan's designs in North China, as manifested in these outrages, are to be traced from her lust of political domination. The impudent means she adopts to reach such ends reflect too legibly on her hereditary treachery and mischief.

A Distressing Spectacle

There was no spectacle more distressing to an observer in North China in the pre-Nationalist days than the complete evacuation of Northern officials, ex-Ministers, former generals to Dairen, where they are now living in comfort and luxury from the proceeds of their illlegal gains. Steamers running between Tientsin and Dairen were booked to the limit several weeks before they sailed. Ex-Governor Lin of Shantung, and his suite of yamen waiters and concubines even braved the steerage on board a Japanese steamer from Tientsin to Dairen, the worst cabins being unavailable. Their departure should not be regretted. Nay, there is even some consolation about it, and that is the gradual disappearance of mandarin life, of that classic snobbery of officialdom, although the sad story remains that considerable gold flowed with them from China to Japan. There is now a decided change in the atmosphere in North China.

For the foregoing reasons North China affords a good topic for intrinsic study and investigation. To a southerner, North China is but a barren field of almost inarable land, which is the birthplace of military bandits and rough people, where harvest is to be had only once in a year. He fails to foresee that this and the adjoining territories in Siberia will be the chief gold-producing centres of the world in the next fifty years. North China is still a virgin field, unexploited and little explored. Shall we exploit it ourselves or let others do it for us? The northern regime under Chang Tso-lin and other uneducated militarists is over. What shall this new regime do?

Ever since the Russo-Japanese war Japan has sought expansion in northern China. The taking of Port Arthur, and afterwards of Tsingtao following the World War was a distinct prelude to her ambitious programme of Kaiserist domination in China. Japan, indeed, has imitated Germany in the Far East. All Japanese enterprises on Chinese soil are held in usufruct.

There is nothing more enlightening on this all-important question than a tour of the northern ports.

Arriving in Tientsin in the old Chang Tso-lin days, one found that the authorities were certainly sleeping on their rights. Several li away from the Japanese concession, on a vast vacant lot in the Chinese territory Japanese troops were erecting a huge aerodrome for the accomodation of war planes. Tientsin for the past twenty years had been a safe haven for political refugees, who were smuggled into the concessions as a result of the defeat of their plots. Here, also, the political intrigues were hatched, to be practised in Peking. One breathes a sigh of relief at seeing how all these political traditions are passing with the change of time. Months before the first gunshot was fired in the suburb of Tientsin, old professional politicians were noticed shunning the time-worn Taku Bar, leaving the muddy water of Haiho behind them. They are gone with their harems of concubines, with loot and with opium paraphernalias, whither no one cares. Thus North China is prepared for rehabilitation. The civilian populace, be they southerners or northerners of Mongolian or Tartar birth were looking forward to a new regime.

Commercially, Tientsin controls the export trade of North China. Import trade is being done on a much smaller scale than export. Skin and fur and other raw materials constitute the chief products. Owing to its proximity with Peking, Tientsin has been important for political rather than commercial purposes.

The Growth of Dairen

About twenty-four hours voyage across the Manchurian sea-board lie Dairen and Port Arthur. Here the most decisive battles between Japan and Russia were waged. These two ports, which control the entire Three Eastern Provinces, once belonged to China. In fact, it could not be otherwise, as the vast hinterland depends upon the seaports for life and sustenance. But, they changed owners. Tsarist Russia first claimed a naval base at Port Arthur. Japan took them, which she will hold at all cost, if her programme in China is to be furthered.

Dairen is a growing city. It will not be a surprise to find Dairen a greater port than Shanghai in the next fifty years, when the natural resources of the Three Eastern Provinces and Siberia are unearthed. Dairen then will be the chief port, through which raw materials for world consumption must pass, when the world of science will look to this part of the world for supply. Vladivostok in the extreme north competes with Dairen in this respect, but as the sea is frozen during part of the year, hope for its commercial success is sealed. For this reason Japanese financial experts have invested huge capital in Dairen. From the outward appearance of the city, visitors can tell that Dairen has grown much more than its commerce can justify. Wide streets, good buildings, and an efficient police system are among the many things that strike a visitor. The harbor itself bears testimony to the fact that the port is capable of future development on a grand scale.

The South Manchurian Railway, running from Dairen to Mukden, is Japanese controlled and Japanese operated. The building of the railway has, in effect, transferred all titles to Manchuria, to Japan. Japanese police are found stationed at every station, every sub-station all along the railway, under the assumed pretext of protecting their nationals, in territories belonging to China. This is another instance of usufruct, of sovereignty encroachment, and of flagrant violation of international law. Considering these overt acts and attempts at dominating Manchuria and the Three Eastern Provinces on the part of Japan, one does not hesitate to render the verdict as to who the culprit was in the bombing outrage. The presence of Chang Tso-lin, of any administrative chief in Mukden will necessarily obstruct the unlawful activities of Japan.

Exactly twenty five miles to the west of Dairen stands the stronghold of Port Arthur, that landmark of Japan's first struggle in the Far East. Port Arthur is essentially a naval base. Here are harbored Japanese gun-boats, cruisers and submarines, which can be summoned to the China coast at a moment's notice. On the lofty mountain tops, overlooking the sea, tower the old forts of Tsarist Russia, badly demolished by the Japanese. These places are open to the public, and photographs, which otherwise can not be taken by the tourists, are offered for sale.

With Dairen and Port Arthur, the two gates for egress and ingress into Manchuria, in her control, Japan has a very firm hold on China.

Russians and civilian Chinese landing at Dairen are kept under very strict police surveillance for obvious reasons. The only class of Chinese welcomed there are retired officials, who have plenty of money to spend.

Japanese in Control at Tsingtao

Another twenty four hours voyage brings one to Tsingtao, that beautiful summer resort where every June witnesses crowds of refugees from heat on its beach. This year there is a sad stillness, almost melancholic solemnity, bespeaking inauspicious omens, for the beach is deserted. The incident at Tsinan, the imaginary troubles that are likely to loom have scared away thousands of comfort-seekers. Indeed, war hovers around Tsingtao. Japanese soldiers, armed to the teeth, with fully loaded rifles and bayonets, dazzling in the sun, marched alongside with Chinese police.

No flag was seen flying, neither the white and blue nor the five stripes. Tsingtao has a unique status,—an *imperium in imperio*. The nominal chief is General Chao Chi, a follower of Chang Chung-chang. When the Tsinan incident took place, the Nationalist soldiery did not advance along the Kiaochow-Tsinan railway. Now that Chang Chung-chang has fallen, Chao Chi has lowered the Five Stripes. The Japanese interests are propounding the organization of a special district in and around Tsingtao, with Chao Chi heading the phantom show. An ordinary intelligent man will readily understand the meaning of the proposed special district. The Kiaochow-Tsinan railway has virtually passed into Japanese control, at least for the time being.

A newspaper in Tsingtao was advocating the isolation of Manchuria, the coronation of the Boy Emperor in that region, whom the Japanese recently smuggled into Dairen from Tientsin. In the office of the editor sat two Japanese, conversing and advising.

There are at present scarcely a thousand foreigners in Tsingtao against a huge Japanese population of fifteen thousand, excluding troops. Japanese influence in Shantung is again predominating. The government under Tanaka is more aggressive than it used to be. In the old days she forced the famous twenty-one demands upon China, which became eventually a pack of papers. At present she employs forces as a direct measure. Whether force will serve her purpose remains to be seen.

If Japanese soldiers are permanently stationed along the Kiaochow-Tsinan railway, Shantung will, like Manchuria, pass to the Japanese. And the day will not be far away when Japanese influence will be felt north of the Yellow river.

This is a crisis. No period in Chinese history has been as important as this one. There are many things which Nationalist China can prosecute through the proper channel. Clever diplomacy will be the chief factor which will be responsible for the success of the Nationalist cause.

*The italics are the writer's.

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American Policy Toward Manchuria*

BY KEN SHEN WEIGH, PH.D

AMERICAN interest in Manchuria began to take form in Secretary Hay's ennunciation of the open door policy on September 6, 1899, when he asked the major powers to give formal assurances to the effect that each within its respective sphere of influence would in no way interfere with the interests of other nationals found within its socalled "sphere of interest" or leased territory which it might have in China; that the same Chinese treaty tariff should apply to all merchandise landed within such territory irrespective of the nationality to which it might belong; that no higher harbor dues on vessels or higher railroad charges should be levied on vessels or goods of other nationals than those levied on vessels or goods of its own nationals; and that no discrimination whatsoever should exist commercially between them and other peoples who have equal treaty rights with China.

Another early indication of American concern over Manchuria may be noted from Secretary Hay's declaration on February 1, 1902, in connection with the concession sought by the Russo-Asiatic Bank that should China need outside help in undertaking any industrial development of Manchuria Russian capital should be approached first. Against this the United States protested and declared that "she cannot but view with the gravest concern any agreement by which China cedes to any corporation or company the exclusive right and privilege of opening mines, establishing railroads or in any other way industrially developing Manchuria, as it constitutes a monopoly which is a distinct breach of the stipulations of treaties concluded between China and foreign powers and thereby seriously affects the rights of American citizens."

It was not until the conclusion of the Russo-Japanese War, however, that the American policy of the open door and equal opportunity was sanctioned by the law of nations. The Treaty of Portsmouth was a great triumph for America. By virtue of this protocol Russia was made to declare that she had no territorial, preferential, nor exclusive concessions in Manchuria in impairment of the sovereignty of China or inconsistent with the principle of equal opportunity for all nations. Again, by this treaty both the victor and the vanquished promised not to obstruct the development of commerce and industry in Manchuria.

The Harriman Proposals

So far, American interest in Manchuria had been more or less theoretical. After the Russo-Japanese War we find American words translated into action. Shortly after the signature of the Treaty of Portsmouth, Mr. E. H. Harriman, at the suggestion of the Japanese Government, journeyed to the Orient with the view to reach an understanding with Tokyo for the sale of the South Manchurian Railway which Japan had just obtained from Russia as one of the spoils of the war. All the important Japanese statesmen were favorable to the scheme and a preliminary understanding to this effect was reached between Mr. Harriman and the Japanese Government. This agreement was only provisional, however. It could only be completed after the ratification of the Portsmouth Treaty and the consent of the Chinese Government. The Treaty of Portsmouth was ratified on November, 5, 1905, and on December 22, Count Komura concluded with China the Peking Agreement. Whereupon Mr. Harriman was notified in Tokyo by telegram from Peking that the Chinese Government refused to consent to the admission of American capital to the rehabilitation of the South Manchurian Railway system. But the true fact was that the Chinese Government had never been approached with Mr. Harriman's proposals and that it had never declined them. It was, therefore a mere fiction invented by the Japanese to baffle Mr. Harriman and to keep Manchuria from American entanglements. Mr. Harriman's scheme remained therefore in abeyance.

American efforts to obtain an economic foothold in Manchuria were continued in the summer of 1907 when Mr. Willard Straight succeeded in coming to an understanding with Mr. Tang Shao-yi, then Governor of Mukden, for a loan of $20,000,000 to found a Manchurian bank, which was to be the agent of the Manchurian government for the construction, in cooperation with the British railway contractors, of a line from Hsinmintin to Aigun and for the development of Manchurian commerce and industry which Russia and Japan had both promised not to obstruct. This project was delayed for some time owing to the financial panic in America in 1907. But early in 1909, the matter was revived and Mr. Tang Shao-yi was again approached as to the basis upon which the Chinese Eastern Railway and the South Manchurian Railway might be acquired. Mr. Tang was of the opinion that China would welcome such a proposition if an international syndicate could be organized to purchase both lines on behalf of China, thus merely anticipating the provision for the reversionary ownership of the lines as stipulated in the original agreement of 1896 between China and Russia. This was the germ of Secretary Knox's scheme for the neutralization of the Manchurian railways.

The substance of Mr. Knox's scheme consisted of two alternatives: first, to take the Manchurian railways out of Far Eastern politics and place them under an economic, impartial and scientific administration; second, failing in this, to invite the interested powers friendly to participate in the financing and construction of the Chinchow-Aigun arrangement, a concession which the United States had already obtained from China. Theoretically, the idea was unassailable, but diplomatically Secretary Knox made a mistake in not sounding out Russia and Japan first. Everything should have been done to separate Russia and Japan, but, instead, Russia and Japan were made to stand together in defence of their rights. A firm but polite rejection was given by Russia and Japan to Mr. Knox's proposals, evidently after much communication between Tokyo and St. Petersburg, as the arguments advanced by both governments were almost identical. While these notes to the American Government were couched in the most polite terms, the Russian and Japanese memoranda to the Chinese Government aside from their dictatorialness unveiled the pretended objection of injury to the Chinese Eastern Railway and the South Manchurian Railway and disclosed the real motives of the Russo-Japanese opposition, namely that for political and strategic reasons America must be excluded from the economic development of Manchuria.

Russian and Japanese Protests

In order to strengthen the diminished American influence in China as a result of the failure of the Knox proposals, American banking interests sought to revive their prestige in China by securing the participation in financing the twenty-million-dollar loan for Manchurian development, originally mooted by Mr. Tang Shao-yi in 1908. This gave rise to the Quadruple Group with Great Britain, France, Germany and the United States as the principals, to handle Chinese loans in general and Manchurian development in particular, and an agreement was reached with the Chinese Government on April 15, 1911. But when the agreement was made public, Russia and Japan protested against the provision that should the Chinese Government decide to invite foreign capitalists to participate with Chinese interests in Manchurian business contemplated under this loan and to be undertaken in connection therewith, the contracting banks should first be invited to participate as a financial monopoly which would be prejudicial to Russo-Japanese interests there. To get over this difficulty, Russia and Japan were both invited to join the quadruple combination, thus making it sextuple. They at first refused to come in and sought to destroy the syndicate by urging the French group to withdraw, as they were doubtful that they and the Americans, whom they alleged to have been pursuing "political aims" in the Far East, could participate in one and the same financial action in China. Finally they accepted the invitation, however, on the understanding that each group was to consult its government before the conclusion of any loan to China and that no business was to be contemplated if such a business should be objected to by any one of the groups concerned. In passing, it is to be noted here, that the American Government later effected the withdrawal of the American banks from this syndicate for fear "some unhappy contingency of forcible interference involving the financial and even the political affairs of China might arise."

The next official indication of American policy toward Manchuria was in 1915 when Japan taking advantage of the powers being deeply embroiled in the war in Europe presented to President Yuan Shi-kai the notorious Twenty-One Demands, group II of which demanded that, acknowledging the special position enjoyed by Japan in South Manchuria and Inner Mongolia, China consented to the extension of the lease of the Liaotung ports and the South Manchurian Railways to another ninety-nine years, that Japan be vested with the final authority as regards the selection of advisors upon affairs in this region, that Japan's consent be first obtained in building railways with foreign capital and in the arrangement of foreign loans, and that Japanese subjects be permitted to travel, reside, engage in business and manufacture of any sort and erect buildings and open mines throughout the region, etc.

The interest which the United States Government showed when the negotiations were in progress may be noted from the statement which the State Department gave out to the effect that the United States took as good faith the assurances given by the Japanese Government that it had no intention of in-

*Part of the substance of this article is taken from the author's book on "Russo-Chinese Diplomacy" now being published by the Commercial Press. The reader is requested to refer to it for details and the citation of authorities.

terfering with either the political independence or territorial integrity of China and that nothing she proposed would discriminate against the other powers having treaties with China or interfere with the open door policy to which the leading nations were committed and that the American Government had no thought of surrendering any of the treaty rights with China and that its interests in the welfare and progress of China had in no way abated. Furthermore, on May 1, after the conclusion of the agreement, the United States saw it necessary to send identical notes to the Chinese and Japanese Governments to the effect that it could not recognise any agreement or undertaking which had been entered into or which might be entered into between the governments of China and Japan, impairing the treaty rights of the United States and its citizens in China, the political or territorial integrity of the Republic of China, or the international policy relative to China commonly known as the open door policy.

The "Open Door" in Manchuria

Thus far American policy vis-a-vis Manchuria had been based on the maintenance of the principle of the open door and the preservation of the political, territorial, and administrative integrity of China. But in 1917 grave apprehensions of a political nature were aroused in the minds of the people both at home and abroad by the understanding reached on November 2, 1917, between the United States and Japan in the form of the Lansing-Ishii Agreement which stipulated, inter alia, that as "territorial propinquity creates special relations, the Government of the United States recognise that Japan has special interests in China, particularly in the part to which her possessions are contiguous." What these "special relations" and "special interests" were the agreement was indiscreetly silent, despite the fact that both sides realized the possibility of misunderstandings arising out of the interpretation of these phrases. But in such a case Motono was reported to have said to the Russian Minister at Tokyo that "Japan would have at her disposal better means of applying in practice her interpreation than would the United States." What these "better means" were we now know from the publication by the Soviet Government shortly after the Russian Revolution of the text of the secret treaty of alliance entered into between Russia and Japan in 1916. The two powers then foresaw the eventuality of another power "endeavoring to dominate the Eastern situation" and holding "inimical aims" against Russia and Japan. They found it necessary therefore to enter into a treaty of defensive alliance by which the two contracting parties pledged to lend each other armed assistance whenever their respective interests were menaced by a third power. This third power could only have been Germany or the United States. But Germany was then engaged in a life and death struggle in Europe. It could only be aimed at the United States which was then still a neutral.

To all intents and purposes, therefore, the Lansing-Ishii agreement was a great diplomatic blunder of the Wilson administration, as it not only tacitly gave cognizance to Japan's position of preponderance in Manchuria which America had all along been trying to deny, it also gave Japan the trump card with which to play the game of Far Eastern politics in a manner most beneficial to her interests. And that she was not slow in taking advantage of the agreement just reached may be noticed in the negotiations of the International Consortium of 1920, when she sought to obtain a reservation to the effect that certain areas in South Manchuria be outside the jurisdiction of the Consortium. This the Government of the United States found to be untenable, constituting as it was ,'an intermixture of exclusive political pretensions in a project which all the other interested governments and groups have treated in a liberal and self-denying spirit, and with the purpose of eliminating, so far as possible, such disturbing and complicating political motives." The Consortium was formally established, however, on October 15, 1920, with the understanding that the parties concerned would not give countenance to activities of the Consortium which would be prejudicial to Japan's national defence and economic existence.

The Principle of Equal Opportunity

By the way, it was at the Washington Conference of 1921-2 however that American policy regarding China in general and Manchuria in particular secured a signal triumph. Not only was the agreement reached in 1917 between Mr. Lansing and Count Ishii declared to be cancelled and of no further force and effect, all the great powers having interests in China were made to agree, among other things, to respect the sovereignty, the independence and the territorial and administrative integrity of China, and to use their influence to effectually maintain and establish the principle of the open door and equal opportunity for the commerce and industry of all nations throughout the territory of China and to refrain from seeking any arrangement which might purport to establish in favor of their interests any general superiority of rights with respect to commercial or economic development in any designated region in China, or any such monopoly or preference as would deprive the nationals of any other power of the right of undertaking any legitimate trade and industry in China, or participating with the Chinese Government in any category of public enterprise calculated to frustrate the practical application of the principle of equal opportunity.

With regard to Manchuria in particular, the United States government through its Secretary of State, Mr Hughes, expressed gratification at the Japanese statement declaring that Japan was ready to throw open to the joint activity of the international financial consortium recently reorganized the right of option granted exclusively in favor of Japanese capital by virtue of the Twenty-One Demands of 1915, with regard to loans for the construction of the railways in South Manchuria and Eastern Inner Mongolia and loans to be secured on taxes in that region; that Japan had no intention of insisting on her preferential rights concerning the engagement by China of Japanese advisors or instructors on political, financial, military or police matters in Manchuria. Furthermore, Mr. Hughes saw fit to in this connection to affirm the American position that with regard to rights granted to Japanese subjects as to leasing land for various purposes and to engaging in any kind of business or manufacture in South Manchuria, etc., the United States Government would not regard the same as intended to be exclusive and, as in the past, would claim from the Chinese Government for American citizens the rights accruing to them by virtue of the most-favored nation clauses in the treaties between the United States and China.

An event of comparatively recent interest with regard to American interest in Manchuria has been the comtemplated flotation of a $40,000,000 railway and industrial loan, with others to follow, in the American market, headed by Messrs. J. P. Morgan and Company for the South Manchuria Railway Company. That such a loan constituted a distinct departure from America's traditional policy towards China goes without saying as the foregoing paragraphs testify. It meant also, as Dr. C. C. Wu well had it, "the active approval and assistance by America of Japanese politico-economic control and exploitation of Manchuria and Inner Mongolia. It meant that new and stronger rivets would be forged by American gold to further strengthen Japanese domination over a region which bade fair to become the Alsace-Lorraine of Asia." Thanks to the many official and non-official protests which came pouring into the State Department, advising the American Government to desist from countenancing the consummation of such an agreement, the negotiations were indefinitely postponed and an event which would otherwise have immeasurably strained the international amity of two friendly states had been prevented.

Manchuria Is Chinese Territory

Now we have the report of Nanking's resident representative at Washington with regard to an interview with an important official of the State Department that America would regard Manchuria as Chinese territory, that America would not recognize that Japan have any special rights and interests in Manchuria, that America would regard the Nine-Power Treaty signed at Washington in 1922 as binding upon Japan and all the signatory powers. This came as an answer to the Japanese declaration of May 18 of this year that as disturbances now threatened to spread to Tientsin and Peking and fearing that Manchuria in which Japanese interests are specially and deeply involved on account of her being China's nearest neighbor might be affected, the Japanese Government would attach the utmost importance to the maintenance of peace and order in this region and were prepared to do all they could, and "might possibly be constrained to take appropriate and effective steps for the maintenance of peace and order in Manchuria." Concurrently, both the Nanking and Peking authorities were informed that if Chang Tso-ling should cease fighting and return to Manchuria immediately, the Japanese would exercise their good offices to prevent the Nationalists from advancing further northward than the Great Wall; that if Chang Tso-ling should insist upon fighting and be defeated, the Japanese would take steps to prevent his defeated troops from returning to Manchuria; and that in case Chang Tso-ling should accept the Japanese proposal for returning to Manchuria without further fighting and in future would cease meddling in the politics of China outside Manchuria, the Japanese would not offer any resistance to his resumption of power in Manchuria. But should Chang Tso-ling violate this understanding the Japanese would take steps to deal with the situation. If these words, did not bespeak unmistakably the Japanese intention to make Manchuria a Japanese hegemony, no others would, and yet Secretary of State Kellogg was officially informed that no such thoughts were ever contemplated by Japan!

Manchuria, is now the crux of the present situation. As far as the Nationalists are concerned there remains the unfinished task of bringing Manchuria under their control. Will the Japanese allow their Manchurian puppets to be thrown over-board, which would mean a diminution of their

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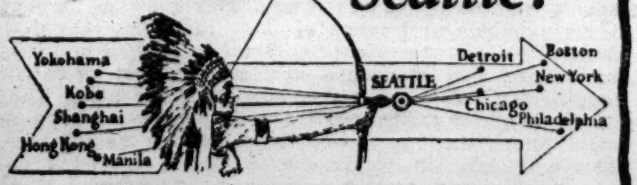

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preponderance in the Three Eastern Provinces and the end of their power in North China? Furthermore, is Nationalist China willing to wait until 2022 for the rendition of the Liaotung Peninsula as well as the South Manchurian Railway system, the lease of both of which would have expired in 1923, but for the notorious Twenty-One Demands of 1915, by which China was compelled under duress to extend the former Russian lease to another ninety-nine years? Impatient as Nationalist China is, we know she is not going to wait such a long time to become master of two of the choicest morsels of her land. Such being China's position, the next question is: Is Japan going to return them to China so soon as China would like to have them? As the situation is today we know also that Japan is not going to relinquish these paramount interests in Manchuria on which depends largely her strength as a world power and on which she has made such enormous investments.

Such is the Far Eastern dilemma: On the one hand, China is too impatient to wait, as an extension of the reversionary rights of these territories and interests to another ninety-nine years would mean the curtailment of her independence as a sovereign power; and, on the other hand, Japan is too reluctant to give way, for that would mean her checkmate. Then what is the solution? The only solution, if there is one, as in the case of all dilemmas, is to seize the bull by the horns. This will naturally bring into play the multifarious forces in the Orient, resolving the Pacific problem into a sort of triangle, with China representing one angle, the Powers another, and Japan the third. When this comes to pass what is the American policy going to be!

Chinese Government Promulgates Radio Regulations

The Ministry of Communications has, according to the *Kuo Min* news agency, announced the following regulations governing wireless stations on all Chinese-owned steamships:

1.—Wireless stations shall be required on the following steamships: (a) ocean-going steamers of 500 tons and upward; (b) all steamers above 300 tons having accommodations for 100 passengers or more, plying between places at or more than 130 nautical miles distance from the coast, and covering more than 500 nautical miles each trip; (c) all pilot boats.

2.—Steamers not equipped with wireless sets shall not be permitted in Chinese waters without special permission from the Ministry of Communications.

3.—Wireless operators shall be Chinese holding certificates from the Ministry of Communications.

4.—All wireless stations on steamers shall not interfere with the communication of national (Government) or other public wireless stations.

5.—In time of need, the Government may use the wireless stations aboard any steamer for transmitting national or military messages.

6.—All steamship wireless stations may charge for private messages according to the International Wireless Regulations.

7.—Regulations governing the wave-length and power of wireless sets on steamers shall be decided and announced by the Ministry of Commuuications.

8.—Only those wireless stations on foreign-owned steamers anchored in Chinese harbors or in Chinese waters, holding certificate from a member-country of the International Wireless League, shall be recognized by the Government.

9.—All steamers violating Regulation No. 1 shall be prohibited from sailing by the Chinese Maritime Customs.

10.—All steamship owners ignoring Regulations No. 2, 3, and 4 shall be fined not less than $200 and not more than $2,000 for each count.

11.—Men-of-war are not governed by these regulations.

12.—These regulations shall be enforced three months after date of promulgation.

Vocational Training Course at the Chinese Y. M. C. A.

The first summer institute for vocational counselors and employment-personnel officers for workers was commenced at the Chinese Y. M. C. A. in Shanghai July 6 and will continue until July 26. The classes are open to Chinese and foreigners alike and to both sexes. Three of the courses of study are in Chinese exclusively. Dr. T. T. Chung will conduct the course in vocational psychology and job analysis; Dr. T. L. Wong will conduct the class in intelligence testing; Dr. S. C. Liao will conduct a course in vocational psychology. The fourth course, which will be given in English, with Chinese translation, will be conducted by Dr. Edward L. Hall. It will comprise daily lessons in the history and practice of vocational counseling.

Americas Position in China's Steel Trade

BY GEO. W. MISSEMER

Recent telegrams from the United States announced that the United States Steel Corporation and the Bethlehem Steel Corporation were forming a joint association for handling export sales. This move is probably taken to combat the competition of Europe, where the principal steel companies last year formed the International Steel Combine, the participants in which are the leading steel producers of Germany, France, Belgium, Luxembourg and the Saar district, their production and share of sales being listed in the order of their importance. The quotas of the various participating countries were fixed on the basis of a total output amounting to 25,278,000 tons.

America's iron and steel industries already led the world before the European war, and this lead has now been considerably increased, partially due to the fact that many of the plants in the United States were improved as a result of war needs. The capacity of American steel works shows an increase in the period from 1913 to 1926 of about 70 per cent. The steel production of Europe in the same period rose only 14 per cent, the result being that America's share in the world's total production, rose by 9 per cent, to 50 per cent. Europe's share in world production is 47 per cent. The remaining 3 per cent belongs to the rest of the world. Although the world's steel production has increased, the production of pig iron has decreased, owing to the more intensive use which is being made of scrap iron.

America's share in the not inconsiderable iron and steel trade of China has not been nearly commensurate with the great importance of America's industry. In fact, in many lines importations to China from the United States have been inconsequential. With the forthcoming industrial development of China, America will doubtless be more and more called upon for supplies. The United States Steel Corporation has had an export sales office in China for about twenty years, but the Bethlehem Company, except for a short period some years back, has been content to do whatever little business in China it could pick up through the medium of its export sales office in Japan.

Tinned Plates are Principal Import

Of the various grades of iron and steel products coming to China the most important are tinned plates, which are black steel sheets coated with a film of tin, the tin being made to adhere to the steel sheets by a series of dippings in palm oil and acids. The Chinese customs statistics show that about six million taels worth of tin plates are imported into China yearly, the United States supplying something over half, and Great Britain about 40 per cent. Supplies from other countries are inconsequential. These tinplates are used mostly in Shanghai and Hankow in the manufacture of containers for kerosene, cigarettes and frozen eggs. Galvanized iron sheets, both corrugated and plain, also constitute an important import item to China. Both the terms "galvanized" and "iron" used in this connection are misnomers. The sheets used at present are not iron, but steel, and the process of coating the sheets with zinc is entirely mechanical, no electric current being used. Of the approximately three million taels worth of galvanized sheets imported into China annually, America supplies less than half a million taels worth. The principal supplier is Japan, from which country the import has grown considerably in recent years. In 1926, the last year for which complete statistics are available, Japan supplied sheets to a value of Tls. 1,811,202; England, Tls. 837,362. Japan has developed the industry of coating black sheets with zinc within the past several years. The black steel sheets are mostly imported from the United States.

American Rails for Manchuria

A considerable quantity of steel rails is imported into China annually and America is the principal supplier. An inspection of the Chinese customs statistics shows that nearly all of them go the port of Dairen, obviously the most of them for the South Manchuria Railway. China imports annually something under three million taels worth of steel rails, and in later years America has been supplying about half of them.

America is also the principal supplier of "bamboo" steel, largely used for reinforcing concrete in building construction. The business, however, does not nearly approach in importance that of tinplates and rails, the imports from America in 1926 amounting to Tls. 137,315, the total importation into China during that year being Tls. 293,712.

In many of the other iron and steel articles imported into China, America's share is rather small. In a great majority of articles imported into China, Belgium, which together with Luxembourg, has greatly increased its iron and steel output since the European war, is the principal supplier. Belgium, for example, supplies Tls. 303,013 worth of ungalvanized angles, as against America's 62,853. Of the total of Tls. 4,627,065 of ungalvanized bars which China imports in a year, Belgium supplies more than two million taels worth; America only Tls. 13,045. Other comparisons between Belgium and America follow: Bar croppings, defective wire, etc., Belgium Tls. 1,442,979; America, Tls. 7,754; Ungalvanized sheets and plates: Belgium, Tls. 1,155,203; American, Tls. 88,098. Ungalvanized nails: Belgium Tls. 533,558; America, Tls. 59,161; Galvanized wire: Belgium, Tls. 252,381; America Tls. 18,856. America and Belgium share honors about equally in the supply of galvanized wire shorts.

In the supply of hoops, Great Britain leads with Tls. 111,042 as against America's share of Tls. 24,164. Great Britain also leads in scrap iron with Tls. 211,363 as against America's Tls. 36,676. In the supply of joists and girders, Japan leads with Tls. 108,420. America supplied none whatever of this article. The Netherland leads in the supply of cast iron pipes with Tls. 164,766 as against America's 4,774. Great Britain in 1926 supplied galvanized pipes to a value of Tls. 227,804 as against America's Tls. 96,763. On a quality basis, however American galvanized pipes win out and even at a higher price are better value for the money. Galvanized pipes are sold by the foot and not only is the American galvanizing better, but the walls of the pipes are thicker. Germany also supplied a fair share of the articles above mentioned.

Belgium Competes Even in America

In the supply of building material generally, Belgium has the lion's share of the business. This is not due to any particularly intensive selling methods for, as a matter of fact, there are very few Belgian iron metal firms engaged in business in China. Most of the Belgian iron and steel products are ordered by the various importing firms of other nationalities. As an example it may be stated that the large Chinese metal importing firm, the Chung Hwa Steel Products Co. are agents for one of the principal Belgian iron and steel works. It may not be generally known that Belgium supplies a considerable part of the building material used in the city of New York and also the city of Galveston in Texas. The yearly importation of structural shapes to the United States from Eurpean countries amounts to more than three million gold dollars yearly. There is a duty of one-fifth of a cent a pound on foreign iron products imported into the United States from abroad, this being the equivalent of four dollars a ton, or about fifteen per cent on the value. The cities of New York and Galveston have direct shipping facilities with Belgium and the cheap price of the Belgian product, plus the cheap ocean freight, can compete, even with a handicap of fifteen per cent duty, against the American article, produced mostly in the Pittsburgh district, to the price of which the considerable freight rate from Pittsburgh must be added. It is not surprising therefore that Belgium leads in the supply of building steel to China.

The great majority of the new office and public buildings in Shanghai are of concrete construction, although several of the larger ones are steel-framed. Among the latter are the Hongkong & Shanghai Bank building, the recently completed Chinese Custom House and the new Sassoon "House" now in course of construction at the corner of the Bund and Nanking road. In each of these cases the architects were the same leading British architects and they specified structural steel of British manufacture. In the new Foreign Y. M. C. A. building in Bubbling Well road some Belgian structural steel was used, although the great majority of the finer products were from the well-known American Truscon Company, the agency for which is now in Chinese hands. Nearly all the buildings which have gone up in Shanghai recently have been built by Chinese contractors, and in the majority of cases they are given a fairly free hand in the selection of the iron and steel that they supply. The usual course is that they order their requirements from one of the many importing firms in Shanghai, the majority of which are foreign, but into which field Chinese firms are entering more and more every year.

Nearly all of the iron and steel building material used in Shanghai and other foreign ports in China is imported from abroad. Last year a small steel plant was erected at Pootung for the manufacture of bars for concrete work, but it has in the meantime closed its doors, not having been able to compete with the imported article.

Higher-Priced American Articles Usually Better

As was mentioned in connection with galvanized iron piping, although American prices are often higher the quality is better. In the majority of cases the cheaper-priced article, however, gets the business. In due course, no doubt, the American suppliers will engage in more intensive selling methods, if necessary selling, at first, at or below cost in order to get the better and higher-priced American article on the market. It is not an infrequent thing for such Am-

(*Continued on page 211*)

The Economic Conference and the Political Situation

BY J. B. P.

China's first national economic conference which met in Shanghai on June 20 concluded its work on June 30 and immediately afterwards or on July 1 there was convened in Nanking, the seat of the Nationalist Government a national financial conference. The economic conference which met in Shanghai although called by T. V. Soong, the Nationalist Minister of Finance, was an unofficial meeting. The financial conference which is now meeting in Nanking is official, the delegates representing the various provinces and branch political councils at Canton, Hankow, Peking, Loyang and Suiyuan. The economic conference in Shanghai which was preliminary to the official financial conference in Nanking, was attended by about 100 of the leading bankers, businessmen and industrialists of the country. The bankers associations and chambers of commerce in Peking and Tientsin were unable to send delegates owing to the war situation in that area, but other parts of the country were represented. Owing to the shortness of time, Canton was unable to send delegates, but the banking and commercial organizations in that city authorized representatives in Shanghai to act for them. Hankow sent a delegation of fifteen.

T. V. Soong Outlined Program

T, V. Soong, Nationalist Minister of Finance who presided at the opening session, outlined briefly the chief financial and economic problems facing the country, Currency Reform, National Indebtedness, Taxation, Revival of Commerce, National Expenditures. In his opening remarks Mr. Soong stated that up to the present the sole aim of the Nationalist Government had been to raise funds for financing the Nationalist army in order to achieve military success "at all costs." Financial policy had been directed toward this single aim, the only precautions taken being to prevent undue financial and economic disturbances in the rear. Continuing, he declared,

"The Northern military campaign is now completed, happily without straining the rear to the breaking point. But with the capture of Peking, the Government may now divest itself of war psychology and devote its efforts toward reconstruction. The Government, however, is unable to effect reforms without the cooperation of the financiers, industrialists and economists. Our currency is in a chaotic condition and we must bring about uniformity throughout the provinces. We must adopt a decimal system for subsidiary coinage. We must deal with our depreciated bank-notes and establish a sound national banking system.

Mr. T. V. Soong, Nationalist Minister of Finance, Who Was Responsible for the Calling of the First National Economic Conference and the First National Finance Conference in China.

"In respect to our national indebtedness, while our foreign and domestic loans are relatively small in proportion to our national wealth, our loans have been badly handled. Our problem is to so restore our national credit so that we can go into the world's money markets and borrow money for reconstruction like any other country. From the standpoint of taxation, our system is unscientific and uneconomic and involved in foreign complications. We must simplify our taxation and improve our revenues without placing an undue burden upon the taxpayers.

"In reference to the question of commerce, this is a matter of primary interest for the Ministries of Commerce and Labor and Communications, but there are many associated problems which we must consider. Then considering the question of national expenditures, the completion of the military campaign has provided an excellent opportunity for shifting our expenditures from wasteful to productive enterprises."

Committee Appointed on Troop Disbandment

Following the remarks of the Chairman, committees were appointed to consider the various problems. At the final meeting of the conference on June 30 standing committees were appointed to make further study of the five chief proposals pertaining to financial and economic rehabilitation. The standing committee which will have charge of the question of troops, was composed of the following,

Yu Ya-ching (Chairman) Shanghai Commercial Federation.
Chin Yun-tsin, Shanghai Fu Yuan Exchange Bank.
Pan Hsu-lun, Chartered Accountant.
Feng Shao-shan, Chinese General Chamber of Commerce.
Chang Kung-chuan, Bank of China.
Li Ming, Chekiang Industrial Bank.
Lin Kang-hou, General Chamber of Commerce.
H. Y. Moh, Shanghai Cotton Exchange.
Loh Peh-hung, Shanghai Chung Hwa Press.
Chow Hsin-tang, Hankow General Chamber of Commerce.
Chen Shu-tsing, Shanghai merchant.

Largely as a result of the Shanghai Economic Conference, the National Reconstruction Committee of the Nationalist Government, voted on June 30 in favor of a Soldier-Labor Policy which had been recommended by Gen. Li Chung-jen, chairman of the Hankow Branch Political Council, the program being briefly as follows:

(1) Road Construction: The Provincial Governments to be instructed to employ the disbanded troops for the construction of roads and highways in the provinces.

(2) River Conservancy: Part of the surplus troops should be employed in the widening and dredging of the Grand Canal and the Yellow River.

(3) Colonization and reclamation:

(a) Colonization: The outlying territories of Thibet and Chinghai (Kokonor) to be colonized by surplus troops from Honan, Shansi, Szechuen and Yunnan,

(b) Reclamation: All foreshore land along the shores of Kiangsu covering 700 li in length and 200 li in width to be reclaimed by employing surplus troops.

In connection with the question of troops disbandment, the Conference passed a strongly worded resolution recommending that the number of troops in China be immediately reduced from 1,500,000 men to a standing army of 500,000 men and that national expenditures for military purposes, covering both army and navy, be limited to $192,000,000 annually.

General Recommendations

The final recommendations of the Conference have not yet been made public, but the *Kuo Min* news agency's report on June 29, gives an idea of the work accomplished.

"The resolutions on the creation of a Central Government Bank aroused the widest interest. Some of the bankers were in favor of a Federal Reserve System modelled on the American plan, but the majority of the bankers and the commercial and industrial representatives were unanimously in favor of the creation of a powerful Central Bank, representative of the interests of all sections of the country. After heated debate the latter scheme was adopted.

"The resolution calling for a Central Bank, to be a limited stock company, with the sole right of bank-note issue and a Supervisory Board formed by the Government, was passed in principle; the details to be worked out by the Committee on Currency and Banking.

"According to these resolutions, Provincial Banks will be forbidden to issue bank-notes. Provincial Banks will be required to conform to regulations passed by the Central Government.

"The regulations governing the organization and operation of commercial banks, foreign exchange banks, savings banks,

and agricultural and industrial banks were likewise accepted in principle.

"With regard to Currency, regulations for making the dollar the basic coin, the limitation of bank-note issue of commercial and semi-Government banks before the establishment of a Central Government Bank, and the control of minting were passed.

"It was also resolved that there should be only one Central Mint in the country for the coinage of the dollar and subsidiary coins, that the new subsidiary coins should be kept at par, that there should be free coinage for the standard dollar.

"The Actual abolition of the Tael should take place three months after the establishment of the Central Mint, but not later than July 1, 1929.

Committee on Taxation. With regard to taxation, it was resolved that the Government should at once appoint a Commission to prepare for Customs Autonomy in order to effect it before January 1, 1929.

"The resolutions concerning the abolition of likin and the establishment of consolidated Consumption taxes, and the resolution for the Unification of taxes were again discussed and, after slight changes, were confirmed.

"Among the principal recommendations made by the Committee on Taxation was the Unification of Finance, under which heading the Demarcation of National and Provincial revenues and expenditure was proposed; as well as Regulations governing the administration of National revenue collection by the different Provincial Finance Commissioners and the control of Provincial Finance by the Ministry of Finance.

"Two other subjects passed were the establishment of a National Public Land Commission and the adoption of a National Budget."

The following resolutions were introduced by the Committee on National Indebtedness at the second general session of the Economic Conference held in Shanghai, June 27, providing for: (1) The liquidation of the secured domestic and foreign indebtedness; (1) the liquidation of the unsecured domestic and foreign indebtedness; (3) liquidation of the provincial domestic and foreign indebtedness; (4) liquidation of the indebtedness of the Ministry of Communication; (5) repayment of the bonds and banknotes issued by the Canton and Hankow governments, (6) raising a rehabilitation loan; (7) organization of a sinking fund board of trustees of non-official civilians.

Political Significance

The political significance of the Shanghai Economic Conference is not to be underestimated owing to the fact that this is the first time that the Chinese businessmen, bankers and industrialists from various parts of the country have met for a consideration of the outstanding problems of the country. Briefly, it means that the Chinese revolution has finally reached the business classes and inspired them with a desire to join in the movement to improve conditions in their country. No one expects the creation of a New China immediately, but at least a start has been made toward the solution of some of the country's major problems, the results of which are bound to be evident in the future. In an interview with foreign newspaper correspondents during the course of the Conference, T. V. Soong, Nationalist Minister of Finance declared that in the past it had been next to impossible to induce the Chinese businessmen, bankers and industrialists to interest themselves in the activities of the Government. Now, however, the situation was more hopeful and all that the Government asked was for the men who are interested in the business and finance of the country to make recommendations and the Government would do its best to carry out the proposals. He stated that the chief purpose of the Economic Conference was to arouse public opinion in order that the officials of the Government would be inspired to take action.

The National Financial Conference

The National Financial Conference, which was also called by the Minister of Finance to follow the Economic Conference, met in Nanking on July 1 and was attended by 150 delegates representing the various provinces, various army groups, officials of the Ministry of Finance and a number of civilian industrial and financial leaders who were invited by the Government to participate in the meeting. Among those present were representatives of the northern generals Feng Yu-hsiang and Yen Hsi-shan, and Gen. Li Chung-jen, chairman of the Hankow Branch Political Council. The meeting was presided over by the Minister of Finance who stated that China would only be able to adopt a workable budget when all national revenues were centralized in the Central Treasury. "It is our task to decide once and for all how to divide national and provincial revenues and arrive at a careful estimate of the receipts of the entire country.....We

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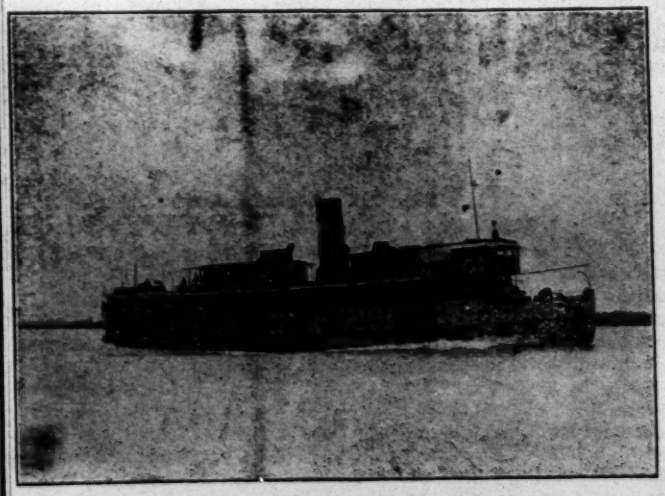

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must come to a definite understanding with the military authorities to let taxation alone, for unless the Ministry of Finance is permitted to control national revenues, all talk of unifying the country is idle."

Other addresses were delivered by Tan Yen-kai, Chairman of the Government Council, Admiral Yang Shu-chuang; Gen. Liu Chi-wen, representing the Military Council and Chang Shao-yung who spoke on behalf of the delegates present. In addition addresses were made at the opening session by representatives of the 2nd, 3rd and 4th group armies who assured the delegates of their sincere desire to reduce the size of their military forces.

National Financial Conference in Session at Nanking

The First General Session of the National Financial Conference was held at Nanking on the afternoon of July 3 at the Ministry of Finance, T. V. Soong, Minister of Finance, presiding.

The *Kuo Min* news agency states that the main business of the afternoon was devoted to preliminary discussions on the proper demarcation of national and provincial taxes, and the measures to achieve unification of national revenues. The Ministry submitted a classification of national revenues and expenditures which was thrown open for discussion. There was an animated debate on the inclusion of likin in the national revenue, which the Ministry desired as a preliminary step towards its abolition. Several of the provincial treasurers expressed fears that its transfer would leave the provinces with inadequate resources for local administration. The consensus of opinion was that, as abolition of likin was inevitable, the provinces should look for some substitute.

Proposals were made for the unification of individual taxes such as salt, customs, kerosene, wine and tobacco and cigarette taxes by the various department heads who outlined the particular difficulties encountered. All the proposals were referred to the various sub-committees. The final business of the afternoon was the receiving of reports from various Army Groups concerning their respective expenditures.

The following Committee were appointed to study the various proposals and submit their recommendations therefor:—

Committee on Financial Administration:—To devise means of centralizing the control of finance according to the plan of demarcation of national and local taxation and disbursement, to differentiate between national and provincial finance organs, and to draft regulations governing reward, punishment, and protection of the Government's finance officials.

Committee on Taxation:—To improve or re-organize taxes and to institute suitable new taxes to replace injurious ones.

Committee on National Expenditure:—To arrange for the quartering and employment of the disbanded soldiers, to demarcate national and provincial taxation and disbursements, and to determine the Military Budget.

Committee on Public Debts:—To straighten out and classify the country's outstanding debts and to submit plans for contracting new loans.

Committee on Currency:—To standardize coinage and to draw up regulations governing the organization and operation of banks, exchanges, etc.

The Peace of the East

(*From the Christian Century*)

For a few hours last week it looked as though the dreaded international war in the far east had arrived. Japanese troops, landing on Chinese soil, had pushed inland more than two hundred miles, taken possession of the capital of a Chinese province, engaged in open hostilities with Chinese troops, killing and wounding large numbers, and disarming still more. Despite a censorship which made it impossible to gain a dependable understanding of what was taking place, it was clear that an open rupture between Japan and China was very close at hand. Such a rupture, had it resulted in a major Japanese military intervention, would almost certainly have involved other powers. Although the world at large was only dimly conscious of the importance of the fighting, it is no exaggeration to say that for a few hours, the ghastly specter of a possible world conflict stalked through the corridors of every foreign office.

The clash at Tsinan is a result of the Japanese attempt to protect Japanese interests and nationals in the Chinese province of Shantung. For thirteen years—since the formulation of the notorious Twenty-one Demands by Japan in 1915—the control of this province has endangered the peace of the orient. It was over Shantung that Japan threatened to wreck the Paris peace conference of 1919; the Shantung clauses in the treaty of Versailles did more than any other one thing to induce the senate of the United States to reject that treaty. When, a few years ago, Japan finally surrendered political control of the province, she retained economic dominance to such an extent that no civil disorder can now occur without some danger to Japanese interests.

Last year, after the nationalist armies of China had won their way to the Yangtze river and launched, from that base, a new campaign to capture the north, Japanese interference seriouly hampered their drive across Shantung. Indeed, it is generally believed by Chinese of all parties that, but for Japanese military action in Shantung, the nationalist armies would have run the last of the old style war lords, Chang Tso-lin, out of Peking at that time, leaving some sort of nationalist organization in at least nominal control of all China. This interference of a year ago has rankled in the minds of the Chinese during all the months since it took place. When the nationalist drive on Peking opened again this spring, there was heard everywhere in China the warning that, this time, no action by the Japanese must be allowed to maintain the Japanese protege, Chang Tso-lin, in control of the north

James P. Howe Appointed Correspondent for *Associated Press* in Peking

James P. Howe, who has been connected with the *Associated Press* in London, Moscow, Vienna and elsewhere in Europe for several years, arrived in Shanghai last week on his way to Peking where he has been appointed manager of the office of the *Associated Press*. Mr. Howe is accompanied by Mrs. Howe and they made the trip to China by way of the United States. Mr. Howe is a son of Ed. Howe, author and editor of the Atchison (Kansas) *Globe*, one of the best known newspapers in America.

Glenn Babb, who has been correspondent for the *Associated Press* in Peking has been transferred to Tokyo where he will be located in future. Mr. and Mrs. Howe were the guests in Shanghai of M. J. Harris, correspondent for the *Associated Press* in this city. They departed for Peking on July 4.

Communications Conference to Meet at Nanking August 1

A National Communications Conference has been called to meet at Nanking on August 1 when the representatives of all communications organizations will discuss measures for the effective consolidation of the communications systems in the country. Wang Pei-chun, Minister of Communications, has drawn up a detailed scheme for the development of communications in the country. According to Mr. Wang's scheme all existing communications systems will first be restored to their former conditions and then steps will be taken for the construction of further necessary railways and as a third step, railways in China will be extended to the frontier districts to accomplish the through traffic service between China and foreign countries. Mr. Wang states that he expects to carry out Dr. Sun's railway construction scheme as stated in the Book for National Reconstruction within a period of ten years.

Circuitous Express Service Between Shanghai and Peking

Owing to the occupation by the Japanese of the central portion of the Tientsin-Pukow railway, no through trains have been running from Shanghai to Peking for some time, but the Chinese railway administration has now arranged for a through service by a circuitous route. Passengers will travel by the Tientsin-Pukow line as far as Hsuchow, where the Lung Hai train schedules have been altered to make good connections to Chengchow on the Peking-Hankow line, whence the passengers will proceed by the Peking-Hankow line to Peking. The entire trip between Shanghai and Peking by this route will take three and a half days. Two express trains a week in both directions will run on the new schedule. The train from Shanghai departs at 8.30 a.m.

Japanese Blow Up Chinese Powder Magazines Near Tsinan

Chao Yu-pong, superintendent of the arsenal at Hsincheng, near Tsinan, has issued a report describing how the Japanese military forces on May 24 blew up the powder magazine at Wuying Mountain and occupied and looted the Hsincheng arsenal. Twenty magazines are alleged to have been blown up by the Japanese causing a loss of $250,000. The Japanese are stated to have removed machinery and much other material from the arsenal, which they have since occupied and refused the Chinese permission to come near it. Mr. Chao's report says that the total value of the arsenal and contents at the time the Japanese took forcible possession of it was $6,000,000.

Opposition Party in Japan Criticizes China Policy

The Minseito (Opposition) party in Japan held a meeting of the executive members on June 21 at Tokyo, at which the following resolutions were passed, as reported in the Osaka *Mainichi* (English edition), June 24.

1. In recent years, the internal warfare has continued without interruption in China, and order in the country has been greatly disturbed. Various guarantees for foreigners in that country as stipulated in treaties have been more frequently violated than ever before.

It is the proper duty of the Government of Japan to take steps to protect Japanese residents in different parts of China, and to safeguard their interests. Only in attaining this aim, recourse should have been taken by ordinary diplomatic channels to confer with the Chinese authorities, or facilitating Japanese residents to evacuate the dangerous localities for safer points.

In other words, the Government should have taken prompt steps to see that no disaster would arise in future. The sending of an army to China should have been resorted to only as the last measure after the general interests had been duly weighed in the balance.

2. We have had different views from those of the Tanaka Ministry in regard to the attitude to take to meet the situation in Tsinan from the beginning. We have regarded the sudden dispatching of the Japanese Army to China without first taking any other steps beforehand as a reckless move. But when the Government has already decided to send an army to China, declaring the policy of protecting the Japanese on the spot, it was necessary that the policy of the Government should be carried to its logical conclusion.

The Government, however, has not carried out its plans in a proper way, so that, in spite of the Japanese Army having been sent to the spot, Japanese residents in many places have been subjected to cruel massacres and other humiliations. The aim for which the army was sent out has not been attained. The economic foundation of the Japanese has been destroyed without any immediate prospect of recovery. The Ministry should not escape from the blame for its mistakes in the matter of protecting the Japanese lives and interests.

3. Although the Government has made mistakes in the manner of execution of the mobilisation, there is no reason why it should be pointed out as a violation of international law or of the treaties, so long as the mobilisation was carried out with the object in view solely to protect the Japanese residents in China against the outrages of unprincipled Chinese soldiers, who have proven their unreliableness by their past activities. The Chinese Government should take the full blame for the cruelties perpetrated by the soldiers. The Chinese Government should see that the lives and property of the foreigners in China are properly safeguarded, and show its ability to carry out that policy effectively. Should the Chinese Government show its sincerity and make efforts to fulfil its responsibility, then the Japanese Government should at once withdraw the Japanese Army in Tsinan and its neighbourhood.

4. There is no need of repeating that Japan has no ambition to alter the existing conditions of territorial sovereignty in Three Eastern Provinces. Any attempt at making political moves by taking advantage of the political disturbances in our neighbor, would not be brooked by the public opinion in this country. The history of Japan's efforts in safeguarding the territorial integrity of China in those provinces, and in developing the resources there, and the fact that the proper and just rights and interests of Japan there are very important, should be fully recognised by the Chinese people. At the same time, the Japanese Government should pay close attention to the development of affairs in that district, and should make united efforts for fulfilling the foregoing aim.

Two further resolutions expressed the hope that China would improve her domestic administration and respect foreign obligations, opposed any attempt at interfering in China's domestic quarrels, and reiterated that the party could not trust the Tanaka Government which it charged was pursuing a haphazard policy in China.

Conference at Nanking to Discuss Unequal Treaties

It was stated in the Shanghai Chinese papers during the week that the Ministry of Foreign Affairs has telegraphed to Y. L. Tong, the Vice-Minister, who is in Peking, asking him to hold informal conversations with the members of the Diplomatic Corps regarding the abrogation of the unequal treaties and to invite them to send delegates to a conference which will be held in Nanking July 20 to discuss the revision of treaties.

Road Building to Begin in Many Parts of China

Reports from Nanchang state that the provincial finance department of Kiangsi province has decided to appropriate $100,000 per month beginning from August for the construction of six main highways in the province: (1) the Kiangsi-Chekiang highway, (2) the Kiangsi-Kwangtung highway, (3) the Kiangsi-Hunan highway, (4) the Kiangsi-Hupeh highway, (5) the Kiangsi-Anhwei highway, and (6) the Kiangsi-Fukien highway.

The Nationalist Government is also reported to be favorably considering the recommendation previously made by Dr C. T. Wang, who in his capacity as chairman of road construction recommended that a road should be constructed between Nanking and Ishing and Hangchow and that war prisoners should be employed in its construction.

Move to Standardize Chinese Army Units

The Military Committee of the National Government on June 30 voted to reorganize and standardize the various units of the Chinese Army. The standard unit of the Army in future is to be a Division which will contain three Brigades. Each Brigade will consist of three Regiments and each Regiment will consist of three Battallions and each Battallion of three Companies. The Company or smallest unit in the army will consist of 200 men. This action by the Military Committee was taken in order to facilitate the efforts which are now being made to establish a standing army of approximately 500,000 men.

Directors of Shantung Railway Explain Why Business is Poor

Chao Lan-tien, managing director, and Chen Yi, assistant managing-director of the Shantung railway, have issued a statement concerning conditions on the line. They explain that for the past several years the traffic on the railway was hampered by the interference of the military authorities and that also now although the traffic has been resumed and a complete service is at the disposal of the public, the volume of business is far from normal. They state that this is caused partly by the stagnation of the market and partly is due to the unsettled state of the public mind.

Japanese Order Chinese Red Cross Workers Out of Tsinan

A *Toho* news agency telegram from Tsinan June 30 stated that thirty-six members of the Chinese Red Cross Society who had gone to Tsinan from Shanghai, were "warned" by the Japanese military authorities and that they therefore left Tsinan on June 28. The Japanese allege that the Red Cross workers "had been investigating secretly the Tsinan affair with indications of subversive activities."

Dr. John R. Mott Resigns as Y.M.C.A. Head

A *Reuter* message from New York during the week stated that Dr. John R. Mott resigned as head of the Y. M. C. A. in the United States, after 40 years service, to become president of the International Missionary Council. Dr. Mott during the Great War was Executive Secretary of the War Council of the Y. M. C. A. and handled £40,000,000 for the benefit of men of the Allied forces and prisoners of war.

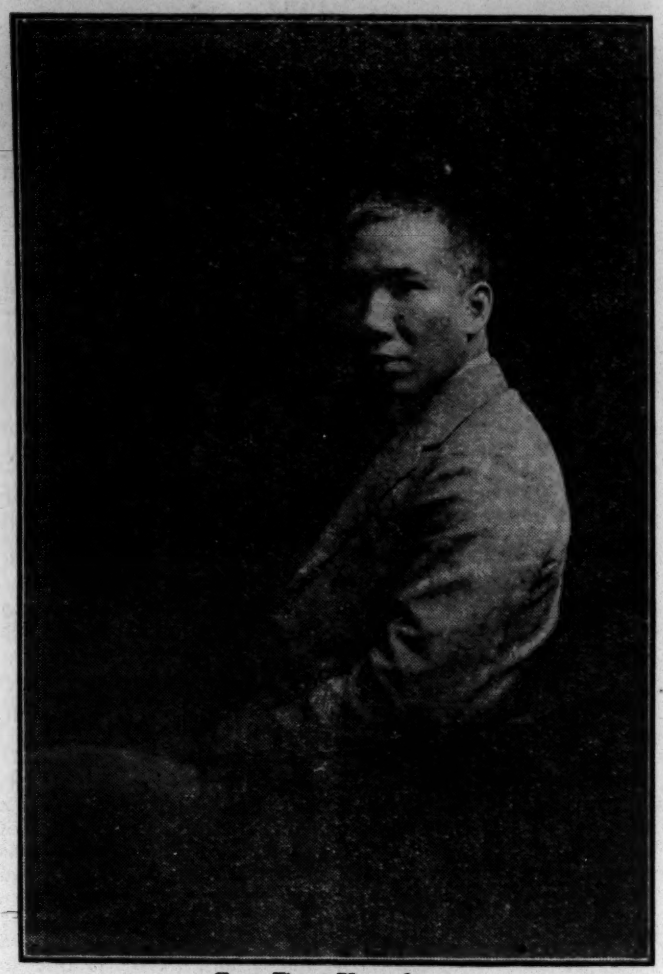
Japan's Trade for Half Year Shows Adverse Balance

The official returns for Japan's foreign trade for the first half-year of 1928 show that exports amounted to 941.000,000 yen and imports to 1,172.000,000 yen. Exports are down 6,000,000 yen and imports down 65,000,000 yen compared with the figures for the corresponding period last year. The adverse balance is thus reduced by 59,000,000 yen.

Chinese Health Department Carrying on Cholera Vaccination

The Department of Public Health of the Municipality of Greater Shanghai, under the able direction of Dr. Hou-ki Hu is carrying out a cholera vaccination campaign. Thirty thousand school children and three thousand workers in the Kiangnan arsenal were vaccinated during June and about eighty thousand workers are being vaccinated in July. A malaria survey is to be conducted by the Department in the near future.

Who's Who in China



Gen. Teng Yen-chuan
鄧演存字鼎生

General Teng Yen-chuan, Director-General of the Hanyang Arsenal, is a native of Waiyang, Kwangtung where he was born in 1888. He is a brother of Mr. Teng Yen-ta, prominent member of the Kuomintang. After completing his early education in his native province, he entered the Peiyang Military College. After graduation from that institution, he served in various government posts. While in Canton, he was Chief of the Military Affairs Bureau and later became dean of the Artillery Training College. When the anti-Northern Expedition of the Kuomintang started from Canton in 1926, General Teng was made Chief of Staff of the 4th Army, the famous "Iron Army" then under the command of General Li Chi-sum. He was with this Army in the march from Canton to Wuhan, being responsible for many of the victories credited to the "Ironsides". When the Revolutionary forces reached Wuhan, he was appointed Director-General of the Hanyang Arsenal which post he still holds in spite of the several sweeping changes that have taken place in the Wuhan political situation.

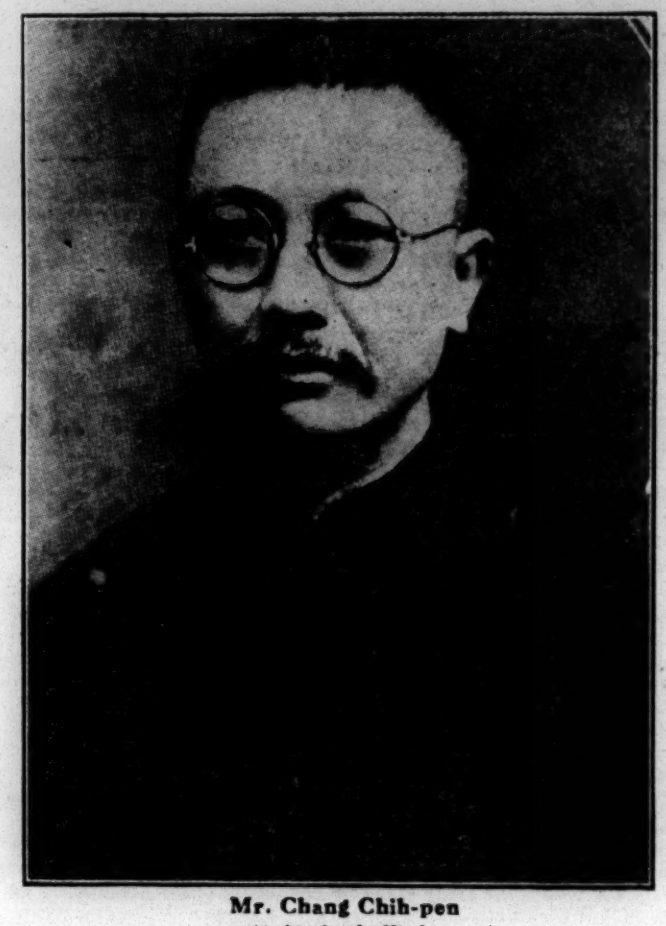
Formal Opening of New Foreign Y. M. C. A. Building in Shanghai

The new foreign Y. M. C. A. building in Bubbling Well road, Shanghai, was formally opened with appropriate ceremonies, Friday afternoon, June 29 when A. Q. Adamson, the architect, formally presented the building to H. H. Arnold, president of the Board of Trustees. In his speech of acceptance Mr. Arnold paid a high tribute to the untiring work of George A. Fitch, general secretary.

Colonel G. R. Rice, on behalf of Major General Wardrop, of the British Army, formally opened the building after receiving the key. The ceremony was presided over by R. Calder Marshal, vice president of the Board of Trustees.

Others taking part in the exercises were the Rev. E. F. Borst Smith, who delivered teh invocation; Mrs. Myrtle Nelson Tobin, who sang an aria; Eugene E. Barnett, who delivered the dedicatory address; and Dean A. C. S. Trivett who offered a dedicatory prayer. The Rev. F. A. Cox pronounced the benediction.

A feature of the proceedings was the reading of congratulatory greetings from the National Councils of Y. M. C. A's. of the United States and Canada by F. S. Brockman and from the National Council of the Y. M. C. A's. of England by Dr. David Z. T. Yui.



Mr. Chang Chih-pen
張知本字篤九

Mr. Chang Chih-pen, Chairman of the Hupeh Provincial Government and member of the Wuhan Political Council, is one of the most prominent of the older members of the Kuomintang and a veteran leader of the Chinese Revolution. He is a native of Kianglin, Hupeh province. In his youth he became a scholar of high standing. He received his early education in his native province, graduating from the Liang Hu University (University of Hunan and Hupeh) at Wuchang

Mr. Chang then went to Japan and studied in the Law College of Tokyo, from which institution he was graduated with a thorough knowledge of modern law.

He served in the Hupeh Provincial Government in various responsible positions after returning from Japan. At one time he was Commissioner of Justice and also Chief of the Judicial Department of the Hupeh Military Government. Mr. Chang was a member of the First Central Executive Committee of the Kuomintang. In addition he has played a great part in Chinese educational development. At one time he was President of the Hupeh Government Law College, and for some time he was also head of the Shanghai Law College. Mr. Chang rose into prominence when Gen. Tang Shen-chi was ousted from control of Hankow in the winter of 1927. He was then appointed by the Nanking Government as Chairman of the Hupeh Provincial Government which post he still holds. In May 1928 he was made a member of the Wuhan Political Council.

Five New Ships to be Built for Dollar Line

A recent despatch from Los Angeles to the *Christian Science Monitor* of Boston, stated that R. Stanley Dollar, vice-president of the Dollar Steamship Lines, had announced plans to add five new liners, which are to be built at a cost of G. $35,000,000, to the line's round the world fleet.

Mr. Dollar is quoted as saying that the new ships would carry airplanes of the cabin passenger type for use on sight-seeing trips while the ships were in port. The new ships are expected to be completed within two years. They will be approximately 100 feet longer and with Diesel engines will be about 10 knots faster than ships now in the Dollar service.

Merkuloff Flees to Japanese for Protection

N. D. Merkuloff, who was the adviser to Chang Chung-chang, the tupan of Shantung, and who drew up the plans for the formation of a White Russian auxiliary to the Shantung troops, suddenly departed from Tientsin last week and has taken up his residence in Dairen, this action, so it is reported, having been taken so as to avoid falling into the hands of the Nationalists.

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Men and Events

Ma Chao-tsuin, newly appointed Kwangtung Commissioner of Reconstruction, assumed office in Canton on July 1.

Five students were expelled from the Labor University at Kiangwan last week, accused of having criticized the secretary of the institution.

Dr. and Mrs. Fletcher S. Brockman were entertained at a dinner at the Majestic Hotel Saturday evening, June 30, by Dr. and Mrs. C. T. Wang.

Dr. Herbert Chatley was on July 1 appointed to succeed Capt. H. von Heidenstam as engineer-in-chief of the Whangpoo Conservancy Board.

Ramon J. Fernandez, a senator in the Philippine Islands, and former mayor of Manila, is in Shanghai on a pleasure trip. He is staying at the Palace Hotel.

Wang Peh-chuin, newly appointed President of the University of Communications (Nanyang College), formally assumed office in Shanghai July 1.

William Armstrong has retired as business manager of the Lyceum Theater and has joined the newly opened American Printing Company, located in Boone road, Shanghai.

Mrs. C. Portz, wife of Lieut. Commander Portz, and Lieut. Commanders Chandler and Hurff, of the U. S. Navy, arrived in Shanghai last week by the s.s. *President McKinley*.

In order to improve the efficiency of the Chinese Postal Service, the Ministry of Communications has proposed the establishment of an air mail service between Shanghai and Hankow.

Ma Chi-chao, eldest son of General Ma Shiao-chun, after nine years of study in America, has now returned to Shanghai with several academic degrees from well-known universities in the United States.

George F. Shecklen, traffic representative for China of the Radio Corporation of the Philippines and the Radio Corporation of America, returned to Shanghai end of last week from a trip to Manila.

Chen Shu-jen, former secretary of the late Dr. Sun Yat-sen, has been appointed director of the Canton Academy of Arts. Mr. Chen is a well-known scholar and was for many years a resident of Canada.

Clinton C. Elrod, a tax collector in the Shanghai Municipal Revenue department, was arrested July 3 and charged before the U. S. Court for China with wounding his wife with a revolver shot.

Chu Po, of the Shanghai Bureau of Agriculture, Industry and Commerce left for Europe last week to make an investigation of co-operative enterprises in France, England, Germany, Denmark and other countries.

The American Chamber of Commerce is conducting its yearly drive for the American Community Chest, the proceeds of which are divided between the American relief fund and the American holiday celebration fund.

Mrs. Hubel Tsang, M.D. (Berlin University), has returned to Shanghai to establish a practice here. Mrs. Tsang, after taking her degree, toured the Federated Malay States and the Dutch East Indies before coming back.

The students department of the National Committee of the Y. W. C. A. gave an "at home" reception at Hostess House, 18 Yuen Ming-yuen road, Shanghai, July 2 in honor of Dr. Wu I-fang, president-elect of Ginling College.

Pacific Affairs, the monthly organ of the Institute of Pacific Relations, in its June issue contains articles on "Havana and Honolulu" by Dr. Ray Lyman Willbur and "Geneva Through Pacific Eyes," by J. Merle Davis.

The American Consulate General, Shanghai, is interested in obtaining information regarding the whereabouts of Mr. and Mrs. George Korpit, who are reported to have resided in or near Shanghai about six or more years ago.

Dr. H. H. Kung, Minister of Commerce and Industry, was admitted into the Peking Union Medical College, Saturday, June 30, and operated on for appendicitis. He is making very satisfactory progress, according to a *Reuter* message.

The Municipal authorities of Greater Shanghai have granted permission to the Chinese Merchants Motor Bus Co. to establish services in Chinese territory, the first of which will run between Siccawei and the Hungjao aerodrome.

A Reuter dispatch from Peking July 2, stated that the Bank of China at Tientsin had forwarded to the Nanking government the salt fund which had been deposited in the bank for the payment of the loans secured on the salt revenue.

Huang Chi, Kwangsi Commissioner of Finance, has gone to Canton for consultation with General Li Chi-shen regarding the unification of the currency systems of Kwangtung and Kwangsi as well as other important questions concerning finance.

Verne Dyson, for many years a resident of China, and an author of several books, is at present in Manila, where he made an address before the weekly convocation of students of the University of the Philippines on June 26, according to the Manila *Daily Bulletin*.

Chi Ching, delegate of the Nationalist Foreign Ministry in Peking, has issued a notification to the effect that members of the staff in the former Foreign Ministry of the Peking Government are requested to intimate as to whether or not they wish to serve under the new regime.

Dean Walter Williams of the School to Journalism of the University of Missouri, accompanied by Mrs. Williams, sailed from San Francisco on June 20, on a tour of the East. They will visit friends in Japan, China and Philippines and will return to America in September.

Dr. Chang Hsin-hai, who recently was appointed to a position in the Nationalist Ministry of Foreign Affairs at Nanking, has resigned from the editorship of *The China Critic*. D. K. Lieu, who has been an associate editor of *The China Critic*, has now been appointed editor.

H. E. Cole, vice president of the Standard Oil Co. of New York, arrived in Japan recently, and will later comeon to China. Mr. Cole opened the first office for the Standard Oil Company in Japan many years ago. Mr Cole is making a combined business and pleasure tour around the world.

Miss A Viola Smith, and Miss Kyong Bae-chung, delegates to the forthcoming Pan-Pacific Conference at Honolulu, were guests at a farewell dinner at the Winter Garden of the Majestic Hotel, Shanghai, on the evening of June 29, given by the Joint Committee of Shanghai Women's organizations.

The Chinese papers report that Mr. A. H. F. Edwardes, acting Inspector-General of Customs, has declined to hand over the Russian share of the Boxer Indemnity funds for educational purposes until the Nationalist Government consents to recognize its obligations, as well as the Inspectorate-General of Customs.

The Transo Envelope Co. of Chicago in manufacturing what they call "Trans-Opake" envelopes, have adopted the expedient of lithographing on the inner side of the envelopes a mass of Chinese characters (some of them are Kuomintang slogans) thus effectually preventing a perusal of letters inside despite the fact that the paper used in making the envelopes is comparatively thin.

The International Relations Committee in Shanghai has commenced the publication of a series of weekly bulletins covering the principal events in Chinese politics. The issue for June 23 contains a discussion of the recent Economic Conference held in Shanghai and also on the subject of where China's capital should be located.

The June issue of *The Meifoo Shield*, published in Shanghai by the Standard Oil Co., of New York in the interests of its Far Eastern staff, contains illustrated articles on "Pearl Fishing in the Sulu Islands" by J. B. Wilson and on Malaya by F. M. Starling. There are also several pages of portraits, mostly of juveniles belonging to "Socony" families.

The current issues discussion group, which has been meeting each Sunday morning at the Shanghai Community Church under the leadership of W. P. Mills, has discontinued its meetings for the summer. A committee, consisting of Rev. Lyman L. Hale, Dr. Frank Rawlinson, and M. C. Guss, has been appointed to make arrangements for the resumption of the work.

Dr. H. F. MacNair, formerly professor of History at St. John's University, Shanghai, has been appointed professor of history at the University of Chicago. Dr. MacNair departed from Shanghai in 1926 and since that time has been teaching history at the University of Washington at Seattle. He is now connected with the University of Chicago Summer School.

Wm. van Buskirk, Deputy U. S. Marshal in Shanghai, is the subject of a biographical sketch in the *Manila Bulletin*, June 22, detailing the principal events in a varied career. Mr. van Buskirk is a 32-degree Mason, and a past master and member of many lodges, is a member of the American Club in Shanghai, the American Chambers of Commerce at Shanghai and Manila, and an aid-de-camp to the Commander-in-chief of the U. S. Spanish War Veterans.

Miss Cheang Kwei-chuen and Miss Cheang Kwei-sung, daughters of Cheang Pak-chew of the Wing Tai Vo Tobacco Corporation, are departing for the United States by the *President Taft* leaving Shanghai July 6. Miss Margaret Powell is accompanying the Misses Cheang, who plan to enter Duke University, Durham, North Carolina. Before entering school they will visit the principal places of interest in America. Miss Powell will return to Shanghai the latter part of October.

America in China's Steel Trade

(Continued from page 203)

erican articles as sewing machines, cameras and phonographs to be sold more cheaply abroad, as for example in China, than they are in the United States, the manufacturers thus gaining a foothold against foreign competitors abroad, while they are protected from such competition by the customs duties at home. The theory, which also seems to work out in practice, is that the large home market supports the industry on a solid basis, while the extra output required for the foreign market can be manufactured at a cheaper unit cost, can be sold at a reduced price abroad, and still show a profit. Whether or not the same theory and practice will be made use of by the new combined export sales combination entered into by America's two largest steel corporations remains to be seen.

Importance of Tool Steel

It will be noted that the greater proportion of the iron and steel products brought to China are of the rougher qualities. But from now on there will naturally be a considerable change in the nature of China's imports, of steel particularly. The Chinese are excellent mechanics and the installation of machine-shops is growing apace all over the country. These shops will demand greater supplies each year of tool and spring steel. The import of these articles has grown considerably in recent years and although the total import in 1926 was only a million taels, the statistics show a steady growth. It is in this article that the competition of the future will mostly lie. So far America's share has been inconsequential, the importation in 1926 being a paltry Tls. 2,091. Various European countries (and Japan) are keen competitors for this business, with Great Britain in the lead, closely followed by Japan, Italy, the Netherlands and Germany, in the order named. Belgium, which figures so largely in the rougher products, hardly enters into this trade at all. The competition from Italy in tool steel is particularly strong.

A not insignificant item in China's import trade is that of pig iron, British India supplying about one-third of China's total import of half a million taels. British India, it may be mentioned incidentally, also supplies the United States with very considerably quantities of pig iron. China and America are alike in that both are importers and exporters of this product. The pig iron from China goes mostly to Japan. That from the United States mostly to Canada. Nevertheless America imports pig iron to a value of between seven and eight million dollars worth annually, one-third of it coming from Germany.

Among the principal importers of iron and steel products are: U. S. Steel Products Co., Andersen, Meyer & Co. (American): Siemmsen & Co. (Poldi Steel Works), Gutehoffnungshuette, represented by G. Korndoerfer, (German); Mitsui Bussan Kaisha, (Japanese); Jardine Engineering Corporation, Eagle & Globe Steel Works (British); and the Chung Hwa Steel Products Co. (Chinese). The above are all importers on behalf of customers. Then there are also the large Chinese government Kiangnan Dock, and the British Shanghai Dock and the New Engineering Works, who import large quantities of iron and steel for their own use.

America Leads in World's Engineering Business

An article entitled "The Machinery Industry of the World," which appeared in *Mechanical Engineering* in April, 1928, is being circulated by the American Trade Commissioner's office in Shanghai. It is based on data submitted to the International Economic Conference held in Geneva in May last year and shows that the United States has a 57 percent share in the world's engineering industry, Germany 16.9 percent and Great Britain 11.8 per cent. Canada is America's best customer for machinery and England next. Japan (including Chosen) is sixth, China is twentieth.

Count Sforza Lectures on China in the United States

Count Sforza, former Italian Minister for Foreign Affairs, who last year travelled extensively in China and whose book on "The Chinese Enigma" was published in Paris recently, will deliver an address on the situation in China at the July session of the Georgia Institute of Politics, to be held in Athens, (Georgia,) July 24. Count Sforza in August will proceed to the Virginia Institute of Public Affairs where he will give two lectures—one on "The Future of Democracy In Europe" and another on: "The Chinese Crisis? The Responsibilities of Europe and The Opportunities of America."

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From the Chinese Press

(News items pertaining to Chinese politics and general affairs appearing under this heading, are taken chiefly from the daily reports of the Kuo Wen (independent), Kuo Min (Nanking official), Ta Chung (Kuominchun) and Toho (Japanese) news agencies, and from translations of articles and dispatches appearing in the local Chinese press).

Wednesday, June 27—Chiang Kai-shek, prior to his departure for Peking, introduced bill into Government Council providing for appointment of commission to have charge of disbandment of troops stating that the Government should fix the number of troops to be stationed in the various provinces and for railway guards and bandit suppression and all should be under control of the central government—T. V. Soong announces new Nationalist loan of $9,000,000 based on 2½ percent surtax at Tientsin, same to be administered by joint committee of bankers and members of Ministry of Finance similar to situation at Shanghai—Gen. Yen Hsi-shan wires for money to pay for upkeep of Chihli-Shantung troops which are held prisoners in Peking-Tientsin area—Liu Yung-chien, chairman of Kiangsu provincial government reports receipt of telegram from Chang Hsueh-liang stating that Chang Hsueh-liang is ready to negotiate with Nanking on the matter of joining the Nationalist Government—C. T. Wang, requests Ministry of Education not to interfere with Tsing Hua College, owing to the American interest in the institution, the college being used to prepare students for education in the United States—Nationalist Government Council abolishes income tax levy on salaries of Nationalist officials beginning August 1—Nationalist Financial Conferennce to be participated in by all Nationalist and provincial finance officials will meet in Nanking on July 1 under chairmanship of T. V. Soong, Minister of Finance—Call issued for national conference of representatives of Anti-Japanese Associations in Shanghai on July 20, purpose being to intensify national Anti-Japanese boycott—Y. L. Tong, Vice-Minister of Foreign Affairs goes to Peking to superintend the liquidation of the Peking Ministry of Foreign Affairs—Chiang Kai-shek goes to Hankow by steamer and then to Peking by train after conference with Hankow officials—Nanking takes steps to centralize foreign negotiations by instructing various commissioners of foreign affairs to act under instructions of Nanking foreign ministry; also recommends abolition of diplomatic bureaus attached to the various armies—Foreign Commissioner Wunsz King at Shanghai notifies Mr. Cunningham, American Consul that owing to disturbed conditions in Anhwei, it is not advisable for foreigners to return to that area for the present—*Ta Chung* report states serious Communist outbreaks in Swatow—Tsai Yuan-pei appoints Chen Pao-ao Kao Lu and Chi Tsung-chi to take over control of nine Government schools in Peking area.

Thursday, June 28—Kuo Wen report states Yen Hsi-shan has offered to resign as garrison commander at Peking and Tientsin and turn over the work to the Peking Branch Political Council—Li Chi-sum recently appointed chairman of Kwangtung Provincial Government, states he will come to Nanking to attend Fifth Plenary Session of Kuomintang—Special Commission on opium suppression formed with T. V. Soong, Finance Minister, Hsieh Tu-pi, Minister of Interior and Liu Yung-chien, chairman of Kiangsu provincial government as executive—Govermnent passes eminent domain law to facilitate commandeering of land for road purposes—Chiang Kai-shek wires Peking urging that no public celebration be held in his honor upon his arrival in Peking—C. T. Wang arrives in Shanghai to receive calls by foreign consuls—Hankow welcomes Chiang Kai-shek on his way to Peking—Feng Yu-hsiang, who is at Weihweihsien taking a rest, will accompany Chiang Kai-shek to Peking; Chiang will stay at a temple in the Western Hills while in Peking—Three battallions and nine companies of troops go to Peking from Nanking to escort Dr. Sun Yat-sen's remains to Nanking—Chien Fong-shih, newly appointed director of the Salt Gabelle under Ministry of Finance formally assumes office—Chinese General Chamber of Commerce entertains C. T. Wang, other guests present, including T. V. Soong, Gen. Chien Ta-chun, Mayor Chang Ting-gan, Chang Shou-yung, vice-Minister of Finance and Wunsz King, Foreign Commissioner—Gen. Fu Tso-yi, garrison commander at Tientsin orders his troops to stay out of foreign houses; issues orders for arrest of former superintendent of customs and director of wine and tobacco taxes at Tientsin, alleging embezzlement of large sums of money—National University Council at Nanking announces national art exhibition at Nanking on Jan. 1, 1929—Forces of Gen. Bei Tsung-chi, evacuate Tingchow-Chengting area on Peking-Hankow line and advance toward Manchurian frontier; reported that in event invasion of Manchuria is decided upon that the advance will be in charge of Gen. Li Ching-lin, former Fengtien officer who deserted Chang Tso-ling last year and joined Nationalists and has been residing in Shanghai—Wang Peh-chun, Minister of Communications decides to immediately construct bridge across Chientang River near Hangchow thus establishing rail communication between Shanghai and Ningpo—Nanking Government Council notifies Chiang Tso-ping that political committee for war zone has been abolished.

Friday, June 29—Dr. H. H. Kung, Minister of Commerce and Industry goes to Taiyuanfu and visits Ming Hsien Academy, a school which he established several years ago upon his return from the United States—Tai Chi-tao, member of Centex Committee and president of Canton University, wires that he will attend meeting of Central Executive Committee in Nanking on July 15—Liu Chien-hou, Nationalist Director-General of Posts, announces definitely that the head office of the Chinese postal service will be in Shanghai owing to the lack of a suitable building in Nanking; The French co-Director of Posts, has been granted three months leave—Economic Conference which has been meeting in Shanghai since June 20 issues final report (referred to elsewhere in this issue)—Dr. C. T. Wang states that decision to make Nanking the capital of China originally decided upon nineteen years ago and Nationalists have taken all actions necessary to transfer capital from Peking—Canton Branch Political Council also strongly supports establishment capital Nanking—Chiang Kai-shek and party receives welcome in Hankow; Yen Hsi-shan sends Gen. Shang Chen of the 1st Shansi army to Paotingfu to welcome Chiang Kai-shek and Feng Yu-hsiang to Peking—Peking plans public memorial meeting in honor of late Sun Yat-sen—Standing Committee of Kuomintang Central Executive Committee adopts regulation for reforming judicial and political administration in China—Yen Hsi-shan invites members of Diplomatic Corps to meet Chiang Kai-shek and Feng Yu-hsiang on July 4—Second and Fourth Group Nationalist armies pressing for carrying military campaign into Three Eastern Provinces—Nanking Military Committee plans monthly magazine devoted to military education—Nationalist Ministry of Communications instructs Tientsin-Pukow, Lung-Hai, Peking-Hankow and Shanghai-Nanking Railways to work out joint traffic schedules—Ministry of Communications also issues regulations for control and operation of wireless stations in China—Kwangtung provincial government announces intentions to reduce military forces and employment of disbanded troops—Shanghai Chamber of Commerce instructs Hsu-ki-fong former secretariat of League of Nations to keep League advised on Japanese activities—Three thousand coolies strike in coal mines in Shantuug—Chiang Kai-shek and Chen Kuo-fo recommend that $300,000 be appropriated from the Overseas Patriotic Fund for care of wounded Nationalist troops—Bei Tsung-chi planning trip to Taiyuanfu, Shansi province to study administrative plans of Gov. Yen Hsi-shan—Yen Hsi-shan and Bei Tsung-chi request monthly appropriation of $500,000 for support of troops—Chiang Kai-shek recommends starting free elementary and manuel training institute on grounds of Sun Yat-sen memorial at Nanking for children of killed and wounded Nationalist troops.

Saturday, June 30—Gen. Yang Cheng-hsin, tuchun of Sinkiang (Chinese Turkestan) who has had charge of this territory for ten years, has wired the Central Government stating that he is loyal to the Three Peoples Principles and the Nationalist Government and has put up the Nationalist flag—Nanking appoints Sze Tze-hsuan as Commissioner of Foreign Affairs at Chefoo—Paotingfu made provincial capital of Chihli Province—C. T. Wang recommends Dr. Chang Wei-han as Commissioner of Foreign Affairs in Yunnan—Nationalist Government approves proposal for $9,000,000 loan based on 2½ percent Customs surplus at Tientisn, loan to be administered by Commission of nine persons, one representing Nationalist Government Ministry

(*Continued on page 215*)

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Chang Tso-ling's Last Hours

The following account of the bombing and death of Chang Tso-lin is from the Manchuria Daily News, printed at Dairen, edited by Japanese in the English language and supported by the South Manchuria Railway. It suggests that the bomb which caused the destruction was placed inside Chang's car.

The last hours of Generalissimo Chang Tso-lin, whose meteoric ascent in the political firmament of China from a brigand near Hsinmintun in the course of little over 20 years, is the wonder of all who know his history, were sadly tragic. They were worthy of a veteran general, as he was one, who died a heroic death in the thick of a battle.

At 5.40 a.m. on the 4th instant, Chang Tso-lin, after the car, in which he travelled, was blown up, was helped out of the car by Major Giga, a Japanese adviser. As Chi En-ming, in command of the Gendarmerie, galloped up at the news, Chang was already dying. The face took on a dark color. The blood flowed copiously from the nose. So with the wound in the left arm. Nothing could be done in a professional way. About 20 minutes were spent in getting a motor car in the hire of the Mukden Spinning and Weaving Works and bringing it to the spot. No first aid treatment was administered in the meantime. Fifteen more minutes lapsed as Chi En-ming, Tao Shang-ming and Major Giga escorted Chang to the Generalissimo's Office within the walls, the Japanese Major getting off the car at West Gate on the way. In the meantime, the floor of the car was literally flooded with Chang's blood. At the Generalissimo's Office, Chang was carried into the Councillors' room on a stretcher. As he got inside the room, he vomited a large quantity of blood. Surgeon-Gen. Yao and Chang's family were present and had to look on helpless.

A British physician, an intimate friend of the "Young General," residing at Hsiaohoyen, was summoned. He repeated camphor injections, but the distinguished victim expired at 10 a.m., that is, a little over four hours after the bombing incident. On the 6th instant, two carpenters were called in from the Mukden Arsenal to make the coffin and the remains were then placed in it.

Bomb Fitted Inside Car

Engineer Wang Chang-chun of the Mukden Arsenal, a member of the Chinese Committee of Inquiry who conducted a joint investigation of the scene of the recent bombing incident with the Japanese, has made a startling report to the following effect.

Judging by the wreckage of the railway cars left upon the ground, the bomb that worked such terrible havoc is believed to have been fitted inside one of the cars. By 5.30 a.m. on June 4, the sun was already up. If the bomb had been laid on the railway track, it could not fail to have been noticed by some one of the 50 Chinese patrols. If the bomb had been left suspended underneath the viaduct, the destruction of the locomotive would be inexplicable, and, again, the bomb could not have escaped notice. Therefore, the only conclusion to be drawn is that the bomb must have been laid inside the car. A bomb of some extremely ingenious design was fitted in the State car in which Chang Tso-lin was and exploded by an electrical fuse.

[Wang Chang-chun has since written to the *Manchuria Daily News* denying that he made such an investigation or made such a statement]

D. E. Swinehart, Chang Tso-ling Adviser, Found Dead

D. E. Swinehart, American military adviser to the late Marshal Chang Tso-ling, was found dead on the beach at Kamakura, Japan, shortly after daylight, Monday, June 25. The first report stated that he had been drowned, but later examination of the body showed that his hair was matted with blood and his face bruised, indicating that he had been hit with some blunt instrument. Swinehart was an engineer by profession and first came to China in 1921, after an adventurous career in Central and South America. He was 34 years of age and a native of Colorado. He arrived in Tokyo last May and in conversation with newspapermen recently he let drop hints that he knew the inside story of the rebellion of Kuo Sung-lin in 1925. The mystery of Swinehart's death is also coupled with the reported assassination of General Yang Yu-ting at Lanchow, and with the death of one of Chang Tso-lin's secretaries named Koo at the German hospital in Peking several weeks ago.

In the United States Court for China

In re Estate of JOE KING Deceased.

Cause No. 3084

Estate No. 678

NOTICE

Pursuant to an Order of said Court, notice is hereby given to all persons having claims against the estate of JOE KING, deceased, to present the same with vouchers to the undersigned, on or before January 7th, 1929, and all persons owing debts to the said deceased are hereby notified to make payments of the same in due course to the undersigned.

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New Books of Interest in the Far East

Tales of Travels in the Tropics

New Journeys in Old Asia, Vignettes of Indo-China, Siam, Java and Bali, by Helen Churchill Candee. Frederick A. Stokes Company, New York, 1927.

There are many kinds of "travel books". Some are like encyclopedias and rival every known guide book, others tell the details of progress and the way in which to save pennies and see it all, some make one nervous in their haste to accomplish much in a short time, still others ramble along in a happy way with not too minute descriptions of moving from place to place but with a feeling of unhurried glimpses at spots worthy of remembrance. This book is of the latter variety, and its sub-title is a good one. These are vignettes of travel. One can discover the skeleton of fact in a guide-book. The vignettes give a personal charm and make us wish to see these places ourselves. The author's wanderings are in lands at the southeast of Asia. Tonkin, Hue, Annam, Saigon, Angkor, Bangkok, Java, Bali, run the titles of her narrative. A map on the lining pages of the book covers gives us their exact location.

Mrs. Candee has a pleasing faculty of deftness in language which embroiders her descriptions with apt word pictures, such as—"these amphibious people whose feet are ever submerged. When rain falls they dress themselves in a thatch of grass or palm and look like large birds of slovenly plumage.....The pretty Tonkinoise runs along the roads and paths between the fields with prodigious loads on her shoulder-pole, loads of lush, green things going to the Haiphong market.....You are beginning to love her and to hope she will marry something better than the thatch-plumaged men of the rice-fields." Of a Dutchman at table in Java she has this to say. "Another turbaned boy approaches, and another, and yet another, until there stands a waiting procession of boys with viands. In all there are twelve—and that makes twenty-four dishes. And one man takes from them all! It is a feat, an unbelievable preposterous joke. Not at all—it is one of the Conquering Race eating his mid-day snack. It is the Dutchman's Rijstafel, which is translated, rice-table."

Tigers are found in this book, and they bring plenty of thrills when they enter. The mystery of Angkor and the elusive charm of Bali are here. Although we have never visited Saigon we like to feel that the description here is a true one. It is alive enough to live in one's memory. At the end of each chapter the "Greek chorus" in the guise of "Mrs. Narracott" enters to give us a bit of information or a hint of political or racial unrest for our meditation. The book is not deep but these hints are suggestive. And following them there is a sentence of real boiled-down information as to lines of travel and prices. We commend this plan to others as it helps vastly to have these statements in a semi-detached position after the chapters. It makes descriptions count for more when they are strung upon a continued thread of land or water transportation.

Miss Lucille Douglass has illustrated the book in her usual effective manner. The twenty-one plates, taken from etchings, and the tail-pieces of chapters also, are her work and show great artistry in subject and treatment. It may be of interest to her Shanghai friends to know that the etchings of Angkor have brought Miss Douglass much commendation from the French, and that quite recently she gave an exhibition in Washington, D. C., under the patronage of the French Ambassador, M. Paul Claudel. Three of her Angkor etchings are reproduced in Mrs. Candee's book. G. B. S.

How the Common People Fare in Russia

Village Life Under The Soviets, By Karl Borders.—New York: Vanguard Press.

The Vanguard series of little books of which the present volume is one is designed to meet the need for reliable, accurate, and up-to-date information on the major aspects of present-day Russia. In the treatment of contemporary phenomena it is scientifically accurate, and each volume is written by an expert on the subject treated therein.

For more than two and-a-half centuries the household servant and peasant in Russia were treated as chattel slaves. In 1628 the peasants were made the property of the land owners who were responsible for the collection of taxes from them. They were bought and sold or given away at the will of their masters. Catherine the Great made presents of 800,000 partly free peasants of the State lands to various favorites during her reign.

In 1905, at the time of the Russo-Japanese war the peasants rose and showed signs of independence in many parts of Russia. They organized Peasants Unions whose chief demand was "All the land for those who labor on it."

The first act of the Bolshevik Revolution was the freedom of the land. Owing to foreign intervention the Russian peasant could not enjoy the fruits of Revolution; but in 1921 they became real masters of the land, and each cultivated as much of it as one needed. As they had a free hand in the administration of the country they made just and suitable laws for themselves. Ever since, the lot of the Russian peasant has become better and better every year. He has enough to eat, adequate protection and freedom. Each village presents an appearance of cleanliness, and no signs of want are visible.

Agricultural schools have sprung up all over Russia, in which modern methods of agriculture are taught. By 1926 thirty-two per cent of the peasants had higher education. A large volume of agricultural literature is issued by Moscow every year, and illiteracy is being rapidly cut down. Suitable libraries are provided, and reading rooms added to each group of villages.

The Farmers' Calendar, published by the press of the Department of Agriculture, is a real mine of knowledge, containing almost any bit of information the peasant may want to know, from what to name the baby to how to build a chicken house. *Agricultural Life* and *The New Village* are useful magazines published for the peasants.

Free religious activities are allowed in the villages. The *sectanti*, as the Protestant groups are called, have actually increased in strength since the Revolution. The leaders of the Evangelical sect regard the future with great hope. This sect, with a following of more than a million, publishes a paper, conducts a preachers' training school, holds its national and regional conferences with the consent of the government, and recently published the first edition of the Bible in the new orthography.

"The Baptists, who also have a large following, and the numerous smaller sects of the country are, with few exceptions, living in even greater freedom than they enjoyed before the war." H. P. Shastri.

Three Novelettes

Conflicts.—Three Tales by Stefan Zweig, translated by Eden and Cedar Paul. The Viking Press, New York, 1927.

This book consists of three novelettes, "Four-and-Twenty Hours in a Woman's Life," "Failing Heart," and "Episode in the Early Life of Privy Councillor D." All of them are stories for intelligent persons, and Zweig's observations on feeling and character, and incidentally on literature, mark him as a keen and original thinker.

Zweig has been praised highly by such outstanding figures in the literary world as Romain Rolland and Maxim Gorky, and he is deserving of praise. His stories are not great literature, in the narrow sense of the word, but they are very well done, and interesting throughout. There is a marked tendency towards realism and frankness, told with a certain objectivity. Some of his observations and deliberations of women are particularly good.

We have not seen anything of Zweig's in German, so are unable to judge the accuracy of the Pauls' translation. It is very effective, however, and one may assume that the book has lost little or nothing in the hands of these writers. H. H.

Chinese Students' Opposition to Reopening of St. John's

As a result of the recent announcement that St. John's University at Shanghai intended to reopen this fall, various Chinese students' organizations have renewed an attack upon that institution which has been continued almost without cessation since the May 30 incidents in Shanghai in 1925. Although St. John's University was able to reopen in 1926, with a decreased attendance the school closed down again in the spring of 1927 when the Chinese Nationalists occupied the Shanghai area and with the exception of some work done off the campus, has been closed almost continuously since.

Immediately after the trouble in 1925 between the students and the foreign faculty resulting from an attempt of the students to hold a patriotic demonstration and fly the Chinese flag at half-mast from one of the university buildings, the students left the school enmasse and started a new school, Kwang Hua University located on Great Western Road.

The latest attack on the university was in the form of a paid advertisement inserted in the *China Times* (a local Chinese newspaper) by an organization calling itself the "Anti-St. John's University Alliance. "According to the advertisement the organization had sent two delegates to Nanking to interview the National University Council on the question of the university. The advertisement also stated that steps were being taken to prevent Chinese students from enrolling in the school and in addition there was an attack on K. L. Dzung, Chinese secretary of the St. John's University, an attempt being made to force his resignation.

From the Chinese Press

(*Continued from page 212*)

of Finance, two each representing Chinese Bankers Associations of Peking and Tientsin and one each from the Chinese chambers of commerce in Peking and Tientsin —Y. M. Chien, former Minister of Finance and now manager of a bank in Shanghai has gone to Peking and Tientsin on a mission on behalf of the Government—*Kuo Wen* report from Peking states that the Peking Diplomatic Corps has not yet had any official dealings with either the Nationalist Ministry of Foreign Affairs or the political administration commssion in Peking and that Dr. C. T. Wang has sent Y. L. Tong to Peking to confer with the Diplomatic Corps on the subject—Yen Hsi-shan reports that there are now 12 divisions and 1 brigade of Shansi troops in vicinity of Peking and Tientsin—*Kuo Min* report states that plans have been perfected for an advance on Mukden by the Nationalist troops, the report stating that the 1st and 2nd group armise will advance north along the Peking-Mukden Railway and the 3rd and 4th armies by way of Jehol; actual advance will await military conference in Peking—Nanking decides to postpone enforcement of new Criminal code to September 1—Tientsin Chamber of Commerce entertains Gen. Shang Chen, commander of the 1st Shansi army—*Ta Chung* report from Peking states that Wu Tai-lai, son of the late Wu Chun-shen, tupan of Holungkiang, has sent an agent to Peking to negotiate for a surrender to the Nationalist Government.

Sunday, July 1—Important military conference held at Nanking participated in by Generals Ho Ying-chin, Chu Shao-liang, Liu Chi-wen, Chang Ke-yao, Liu Shih and Tsao Wan-chun,to consider subject of disbandment of surplus troops; decided that Chinese army unit will consist of one division of three brigades and each brigade of three regiments, each regiment three battallions and each battallion three companies; company of smallest unit will consist of 200 men; decided to abolish position of Northern Pacification Commissioner now occupied by Gen. Chang Pi—*Kuo Wen* report states that the Northeastern and Peihai Northern Chinese naval squadrons have approached the Nationalist Government for surrender terms; Northeastern squadron consists of cruisers Hai Chi, Hai Sheng, Chao Ho and the gunboats Kiang Lee, Chu Yu, Yung Hsiang, Cheng Hai, Mei Hai, Ting Hai and naval transport, Hwa Chia. Peihai squadron consists of gunboats Kiang Heng, Lee Sui, Lee Chi, Lee Chuan and Kiang Tung—*Kuo Wen* report states that squabble over presidency of Provisional Court practically settled and Judge Ho Shih-cheng will shortly assume position as President of the Court—*Kuo Wen* report states that Dr. Tsai Yuan-pei, Minister of Education holds thirty concurrent positions under Nationalist Government, but receives only one salary—Directorate General of Posts at Peking ships documents to Nanking in preparation for closing office—Canton authorities favor disbandment of troops—*Ta Chung* agency report states that the population of Shantung and Chihli provinces have been reduced more than 4,000,000 by the war and famine conditions and that 1,000,000 young men have emigrated from the area—Gen. Chien Ta-chun, garrison commander at Shanghai demands removal of barded-wire baricades from borders of International Settlement on grounds they are damaging property interests and are not in any sense decorative—Ministry of Communications announces appointment Tai Lin-chang as acting director of the Peking-Hankow Railway; Chen Ke-min as director of the works department; Chiu Hsung-hsung, director of traffic department; also appoints Wang Hsin as managing-director of Peking-Mukden line—Ministry of Communication considers establishment of air-mail line between Hankow and Shanghai at cost of $100,000—*Shun Pao* interview with a member of Ministry of Foreign Affairs expresses disappointment at remarks of Sir Austen Chamberlain regarding the Nationalist Government and quotes the official as stating that the Nationalist have no intention of trying to develop a foreign policy that might be satisfactory to any particular nation—Report in the *Sin Wan Pao* from Hankow states that the bodyguard of Marshal Wu Pei-fu has "actually" been disarmed and that Marshal Wu has disappeared.

Monday July 2—Monlin Chiang, president of the Chekiang National University instructs all middle schools to provide free education beginning July 1—Minister of Communications orders direct train service between Peking and Shanghai over Shanghai-Nanking, Tientsin-Pukow, Lung-Hai and Peking-Hankow lines, the trip being scheduled to take three days—Preparations being made to remove remains of late Dr. Sun Yat-sen to Nanking; reported Nationalist Government has asked Mrs. Sun Yat-sen to return to China to attend ceremony, Mrs. Sun now being in Berlin with her younger brother Soong Tze-an—National Financial Conference with 150 delegates in attendance, opens in Nanking under chairmanship of T. V. Soong Minister of Finance—Nationalist Military Council with 17 members present hold first conference on reduction of military forces—Plans being drawn up for developing model capital at Nanking—Gen. Chiang Kai-shek and party expected in Peking; Yen Hsi-shan meets Chiang at Changsintien; Peking bedecked with Nationalist flags to honor Chiang; high military conference will last week and will consider rehabilitation in North, reduction of army, and Manchurian question; conference will be held in Pihyun temple in Western Hills near Peking where Sun Yat-sen's casket is now resting; Chiang expected to remain in Peking for week and will then escort Sun's casket to Nanking—Owing to establishment of National Capital at Nanking, decided to remove Kiangsu provincial capital elsewhere, possibly to Soochow—Ministry of Communications will assume control of technical educational institutions, First Institute of Technology, Shanghai; Second Institute at Tangshan and Third Institute at Peking—Chang Ching-kiang, Chairman of National Reconstruction Committee, Gen. Koo Chao-tung, Gen. Liu Chih, of 1st army and Admiral Yang Shu-chwang of Navy come to Shanghai to select site for new Government radio station—Gen. Li Chi-sum, chairman of Kwangtung branch political council and Feng Tso-wan, Commissioner of Finance at Canton departing on 7th for Nanking; Gen. Huang Chao-hsiung, commander of the 15th army at Canton to have charge during Gen. Li's absence—Canton prohibits all public and private gambling—Kiangsi provincial government orders dissolution of all peasants organizations in order to stop communistic activities—Pei Yun-ti, Mongolian member of Central Executive Committee of Kuomintang, wires authorities of Inner Mongolia to prevent the Fengtien General Chang Chung-chang from entering that area—Foreign Affairs Commissioner King at Shanghai lifts embargo on steamers entering Shanghai harbor after nightfall—Ceremony held in Nanking in commemoration of third anniversary of Nationalist Government establishment at Canton—Chiang Kai-shek issues proclamation in Peking ordering abolition of illegal taxation of Chang Tso-lin; says that Three Principles will be put into effect in North immediately; declares Nationalist armies will observe strict discipline—Chiang Kai-shek orders suspension of enlistment of troops in Hupeh and Kwangtung—Dr. C. T. Wang invited Chu Chao-hsin, Commissioner of Foreign Affairs at Canton to become Vice-Minister Foreign Affairs of the Nationalist Government at Nanking—*Eastern Times* at Shanghai states that Russians have held up further payments of their share of the Boxer Indemnity to Peking Schools since Nationalists came into control of Peking; also stated that Edwardes, Inspector-General of Customs is trying to induce Nationalists to recognize his appointment—Shanghai Students Union protests appointment of H. K. Kwok to position in Foreign Office alleging he was previously connected with Peking Government—French, British and Japanese consuls interview C. T. Wang about Salt Gabelle—Reported that F. Chang, Nationalist Superintendent of Customs will shortly be appointed Inspector—General.

Tuesday, July 3—Central Military Council at Nanking asks for $100,000 for use in urgent famine relief work—Dr. H .H. Kung, Minister of Commerce and Industry suddenly becomes ill and is operated on for acute appendicitis at the Peking Union Medical College Hospital in Peking—Gen. Chiang Kai-shek and Madame Chang arrive in Peking; met by Yen Hsi-shan; Feng Yu-shang, owing to illness, will not arrive for week—Head office of Peking-Hankow Railway transferred to Hankow from Peking—Gen. Fu Tso-yi, garrison commander at Tientsin ordered not to interfere in the financial administration of that area—Chiang Kai-shek issues statement on future administration, stating that standing army should be reduced to 600,000; that convocation of National Assembly should receive serious consideration; that capital should continue at Nanking, regardless of actions of Powers; everybody under obligations to enforce Three Principles and best was to eliminate

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Communism is to educate farmers and workers in Three Principles-C. T. Wang recommends that war prisoners be used immediately on construction of road from Nanking to Hangchow—Kuomintang Standing Executive Committee urging their return to China for the 5th Plenary session, those notified including Wang Ching-wei, Hu Han-min, Sun Fo, Chu Min-yi, Eugene Chen, Mrs. Sun Yat-sen, C. C. Wu, Li Shih-tseng, Kan Nai-kwan, Wang Chung-wei, Hsiao Fo-chen—Wang Pei-chun, Minister of Communications calls conference for August 1 to consider railway problems of China—Chihli provincial government headquarters to remain in Tientsin pending construction of suitable government buildings in Paotingfu—In accordance with petition of Yeh Tsu-chang, acting director of the Central Party headquarters, a grant of $1,500 has been made to the Chinese News Agency monthly at Shanghai—Press censorship lifted in Peking—*Kuo Min* report from Tientsin states that Gen. Bei Tsung-chi has decided to advance into Manchuria, and has issued orders to the 4th group army to advance toward Hsinfungkow and Yukwan—Shanghai will celebrate Native Products Week from July 7 to 14—Military in Peking confiscate two wireless sets which were operated in Legation quarter at Peking by German citizens—Kiangsi provincial government appropriates $100,000 monthly for road construction—Chairman of Chinese Chamber of Commerce at Tsinan arrested by Japanese—Reported that Dr. C. T. Wang has suggested conference with Peking Foreign Ministers on question of treaty revision.

(*Continued from page 194*)

Tientsin, July 2—Owing to the raid upon the Consulates of the U. S. S. R. at Tientsin by the police under Gen. Fu Tso-yi, it is reported that the Soviet Consul and staff here will return to Russia. They have filed a protest and demanded the punishment of the Chinese police.

Tokyo, July 3—It is reported that the War Office will establish six battallions in Korea from the Independent Garrison Corps for a period of three years.

Tientsin, July 3—It is reported that Gen. Yen Hsi-shan has given secret orders to Gen. Fu Tso-yi to keep close watch on the northern militarist and politician Gen. Kin Yun-peng and Liang Chi-chao, since they are suspected of counter-revolutionary activities.

Tientsin July 3—Owing to the vigorous oppression of the popular movements in the province, it is reported that the Chihli Branch Kuomintang, has passed a resolution impeaching Gen. Fu Tso-yi, Tientsin Garrison Commander.

American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price June 27th	Sale Price June 28th	Approx. Yield to Maturity % June 28th
Czecho Slovak Govt. Sinking Fund Loan	8	Oct. 1, 1952	109	109	7.21
Republic Chile S.F. Loan	7	Nov. 1, 1942	102⅓	103	6.67
Argentine Government.. Ext. S.F. Loan	6	May. 1, 1960	100	99½	6.04
Kingdom of Italy, Ext. S. F. Loan	7	Dec. 1, 1951	99	98¾	7.11
Austrian S. F. G. Loan..	7	June 1, 1943	104½	104	6.58
Japanese Govt. (£)	5	1907/1947	86	86⅛	6.22
German Govt. S. F. Loan	7	Oct. 15, 1949	106⅛	106	6.48
Deutsche Renten Bank 1st Lien Farm Loan	7	Sept. 1, 1950	99½	99⅓	7.05
Saxon Public Works Inc. 1st Mtge. S. F. Loan ..	7	Feb. 1, 1945	100⅓	100⅓	6.95
German G.E.C.S.F. Loan	7	Jan. 15, 1945	104¼	103⅓	6.65
Finnish Guaranteed Municipalities S. F. Loan...	6½	Oct. 1, 1954	99	98¾	6.60
Chicago Rapid Transit 1st. & Refunding Mtge.	6½	July 1, 1944	100	100	6.50
Northern Ohio Power & Light Co. Debentures.	6½	Jan. 1, 1941	101	100	6.50
Cuban Domin. Sugar Co. 1st Lien S. F. Loan...	7½	Nov. 1, 1944	100½	100	7.50
Camaguey Sugar Co. 1st. Mtge. S. F. Loan.....	7	Oct. 15, 1942	100	100¾	6.92
Pennsylvania Dixie Cement Corporation...	7	Pfd. Stock	96	96	7.29
Victor Talking Machine Company Cum, Prior	7	Pfd. Stock	107	106	6.60
Willys Overland Co....	7	Pfd. Stock	101	101	6.93
The National City Bank of New York.....	20	Stock	900	850	2.35
Republic of Peru Ext. Secured S. F. Loan...	7½	Sept. 1, 1956	105	105	7.09
Hershey Chocolate Corp.	$4	Pfd. Stock	—	75	76	5.26
Belgian National Railway Co. Participating Pfd. Stock (American Shares) Market to Yield.....					6.86
Republic of Costa Rica.	7½	Sept. 1, 1949		102	7.31
Saxon States Mtge.....	6	Sept. 15, 1947		93	6.66
Abitibi Power & Paper Co.	6	Cum. Pfd. Stock		102	5.88

The National City Company, The National City Bank Building, No. 2A Kiukiang Road, Shanghai, China.

Shanghai Exchange for Week Ending Wednesday, July 4, 1928

By Maitland, Fearon and Brand

Exchange:—Since the date of our last circular the London price of Bar Silver has declined to 27⅞d. for spot, and to 27 15/16d. per ounce for forward delivery, a drop of ⅛d. and 1/16d. respectively. The London silver market is reported to be very quiet. Our local official T/T rate on London remains unchanged at 2/8¼.

Business in exchange continues to be extremely dull, being intensified by the incidence of summer Holidays—July 2nd and 3rd. There is still a great scarcity of export bills, and the merchant demand for T/T has been unimportant throughout the week. The local market closes quiet and steady, with banks selling for July delivery at the following rates., T/T on London 2/8⅜, on New York 65¾, Yens 70⅝.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver..... Tls. 44,215,000 an increase of Tls. 788,000

Chinese and Mexican Dollars..... $ 77,860,000 a decrease of $ 400,000

Estimated value Tls. 100,274,000 as against Tls. 128,377,000 held at this time last year.

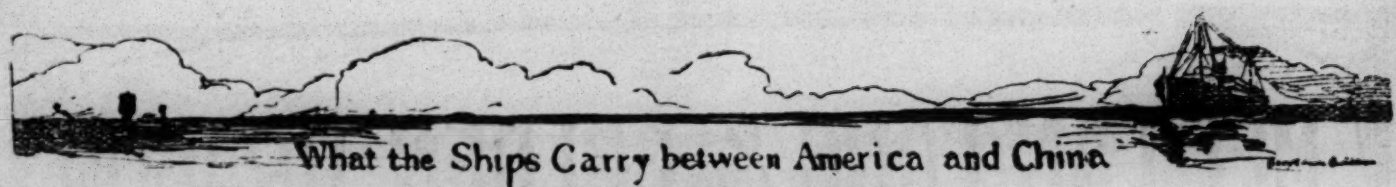
	Average rates for June	Thursday June 28	Friday June 29	Sat. June 30th	Monday July 2th	Tuesday July 3	Wed July 4
Bank's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	2/8 300	2/8¼	2/8⅜	2/8¼			2/8¼
D/Dfts ,,	—	2/8 3/16	2/8 5/16	2/8 5/16			2/8 5/16
4 m/s ,,	—	2/8⅜	2/8⅜	2/8⅜			2/8⅜
T/T India	179.850	180⅛	180⅛	180⅛			180
T/T France	1,671,000	1670	1670	1670			1670
T/T N. Y.	65.695	65⅜	65⅛	65⅛			65⅛
T/T Demand		65⅝	65⅝	65⅝			65⅝
T/T Hamburg		274¼	274¼	274¼			274¼
T/T H'kong	76.660	76¾	76¾	76¾			76¾
T/T Japan	71.175	71	71	71⅜			71
T/T Batavia	162 6/10	162½	162½	162½			162½
T/T Straits	86.120	86¼	86¼	86¼			86¼
Bk's buying rates 4 m/s B/L. Cred. D/A	2/10.300	2/10¼	2/10¼	2/10¼			2/10⅜
4 m/s ,, D/P	—	2/10⅜	2/10⅜	2/10⅜			2/10⅜
6 m/s ,, B/L Cred D/A	2/10.612	2/10 9/16	2/10 9/16	2/10 9/16			2/10 9/16
4 m/s B/F Cred D/A or D/P	1,758,000	1760	1760	1760			1760
4 m/s N.Y.Lc.	68.620	68½	68½	68½			68½
4 m/s ,, Docs	—	69	69	69			69

BANK HOLIDAY — BANK HOLIDAY

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling. Bullion.	June 28	June 29	June 30	July 2	July 3	July 4
*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence	27 9/16	27 7/16	27⅜			27⅜
**New York Price of Bar Silver per oz. (Pure)	G. $.60⅛	G. $.59⅞	G. $.59⅞			G. $.59⅜
Shanghai Price of Gold Bars (weight Tls. 10 (Chauping) 978 touch).....	Tls. 345.80	Tls. 348.40	Tls. 346.00			Tls. 345.80
Shanghai Silver Bars (weight Tls. 100 (C.) 999 touch)	110.90	110.90	110.90			110.90
Shanghai Mexican Dollars per $100....	72.35	72.3	72.3			72.15
Native Bank Rate of Interest (Call money).....	1½%	4%	3 10/16%			3⅛%
*Closing Price in London for Previous day						
**Closing Price in New York for Previous day						

HOLIDAY — HOLIDAY

Bank of England rate of discount	4½%	London Paris on	T/T 124.22
Bank of France rate of discount	3½%	New York on London	T/T 487½
London open Market of Dis. 3 m/s	3 7/8%	Bombay on London	T/T 1/5 27/32
,, 4 ,,	3 13/16%	Hongkong on London	T/T 2/0⅜
,, 6 ,,	3⅞%	Kobe on London	T/T 1/10 25/32



What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mills—thousands; Hk. Tls.—Haikwan Tls; June Customs Rate Tls. 1.35 equal Gold $.

PRESIDENT WILSON, May 15.
from U. S. A.

Woollen Flannel	Yds.	47
Silk Piece Goods, Unclassed	Catties	26
Woollen Blankets	Lb.	40
Chocolate	Lb.	591
Cotton Thread, Embroidery	Pls.	33
Aluminium Foil	,,	61
,, Sheets	,,	30
Antifriction Metal	,,	17
Iron Pipes	,,	3
Lead, in Pigs	,,	1,262
Steel Plates	,,	40
,, Bar Ends	,,	291
,, Nails, Cut	,,	10
,, Washers	,,	17
,, Wire Cloth	,,	217
,, ,, Shorts	,,	370
Steel, Galvanized: ,, Wire Shorts	,,	1,113
Indigo Paste, Artificial: 20 per cent.	,,	1,250
Cement	,,	465
Flour, Corn	,,	62
Fruits, Dried	,,	20
Grease, Lubricating, Mineral	,,	32
Gum Arabic	,,	46
Hams	,,	8
Ink, Printing	,,	396
Leather, Calf	,,	34
,, Cow	,,	8
,, Kid	,,	1
Milk, Condensed	,,	72
,, Evaporated	,,	46
Newspapers, Old	,,	699
Oranges, Fresh	,,	127
Paper, Carbon	,,	6
,, Cardboard	,,	4
,, Printing, Enamelled	,,	4
,, Unclassed	,,	374
,, Writing	,,	301
Potassium, Iodide, Crystal	,,	4
Saccharine	,,	15
Starch	,,	34
Sugar, White	,,	5
Sulphur Black	,,	1,560
Machines, Calculating	Pcs.	13
Machines, Knitting	,,	11
Motor-cars	,,	12
Typewriters	,,	56
Cigars	Mille	4
Cigarettes	,,	20
Hosiery	Doz.	30
Canned Sardines	,,	540
Oil, Lubricating, Mineral	Galls.	5,926
,, ,, other kinds	,,	750
Paints, Unclassed	Galls.	40
Rum (for Cigarette Making)	,,	15,528
Varnish	,,	1,177
Shoes, Rubber	Pairs	360
Glass, Window, Coloured	Sq.ft.	617
Dyes, Aniline '83	Pkgs, HkTls.	3,885
Infants' Food	,,	10,768
Machinery	,,	12,163
Treasure: Silver Bars	,,	$18,310
Gold Bars	,,	147,697

PRESIDENT WILSON, May 15.

To Boston.

Silk, Waste, Refuse: Shanghai	Bls. 27 Pls.	85.71
Bristles	,,	109
Hides, Cow	,,	361
Skins, Goat, Untanned	,,	1,492

To White Hall.

Silk, Waste, Refuse: Other Ports	Bls. 28 Pls.	100.36

To New York.

Silk, Waste, Refuse: Shanghai	Bls. 21 Pls.	66,49
Antimony Oxide	,,	420
Bristles	,,	90
Egg Albumen, Dried	,,	116
Brassware	,,	44
Wool, Sheep's	,,	220
Tungsten Ore	,,	1,260
Skins, Doe, Untanned	Pcs.	9,039

BORDEAUX MARU, May 16.
From U. S. A.

Iron Hoops, Old	Pls.	111
Steel Wire Shorts	,,	848
Flour, Wheat	,,	8,820
Milk, Evaporated	,,	271
Sugar of Milk	,,	33
Timber: Softwood: Clear	Sup.ft.	32,126
Ordinary, Sawn	,,	485,093

SILVERBEECH, May 16.
from U. S. A.

Cotton Cambrics: White, 46 in. by 12 yd.	Pcs.	393
Machines, Knitting	,,	19
Machines Sewing	,,	4
Motor-cars	,,	2
Typewriters	,,	46
Cotton Yarn, Grey, Counts 45	Pls.	4
Lead-foil and Tinfoil	,,	382
Tinned Plates, Scrap	,,	1,047
Flour, Wheat	,,	3,675
Glucose	,,	704
Gum, Resin	,,	3,397
Indigo Paste, Artificial: 20 per cent	,,	979
Leather, Calf, Coloured	,,	1
,, Kid, ,,	,,	1
,, Sole	,,	125
Paper, Coated	,,	1,260
Tobacco, Leaf	,,	20,662
,, Prepared	,,	3
,, Scraps	,,	260

TAIYO MARU, May 18.
from U. S. A.

Milk, Condensed	Pls.	900
Sugar of Milk	,,	225
Cigarettes	Mille	51,150

SIBERIA MARU, May 18.

To Honolulu.

Peanuts, in Shell	Pls.	45

To Havana.

Gramophone Records	Pcs	1,050

To Los Angeles.

Brassware	Pls.	2

To New York.

Lace, Filet	Hk.Tls.	503

To San Francisco.

Silk Piece Goods	Pls.	1.75
Feathers, Duck	,,	30
Eggs Fresh	Pcs	27,000
Rugs	,,	100
Canned Fish	Doz	1,200

Latest New York Stock Exchange Quotations

Swan, Culbertson & Co. Tel. 18891-18990 — June 26

Market Closed Irregular — Business Done (Shares) 1,000,000

STOCK	June 23 Price	June 25 Price
Allied Chemical & Dye (Common)	165½	167
Allis Chalmers	117½	116
American Can (Common)	81⅝	82½
American Locomotive	94½	95
American Radiator	132	134⅜
American Smelting	187½	187¼
American Telephone & Tel. (Common)	175	174½
American Tobacco "B"	156½	157¼
Armour & Co. "A"	18	17¼
Armour & Co. (Ill.) 7% Pfd.	87⅜	87¼
Anaconda Copper	63¼	64¾
Baltimore & Ohio	106⅛	106¼
Bank of Montreal	338½	339
Bethlehem Steel (Common)	53⅜	53½
Bethlehem Steel, 7% Pfd.	118⅜	116⅞
Canadian Marconi	6⅛	6⅛
Canadian Pacific Railway	198	Mult.
Canada Dry Ginger Ale	76	78
Cerro de Pasco	69½	69
Chrysler	69½	69½
Consolidated Gas of New York	140⅝	141½
Coty Incorporated	170	None
Du Pout de Nemours E. I. (Common)	352	349
Eastman Kodak	170½	170⅜
Electric Investors	63	62⅝
Fox Film "A"	74½	74½
General Cigar	61¼	61¼
General Motors	172	171¾
Hudson Motor Car	79½	79⅞
Industrial Rayon	16⅜	16⅛
International Cement (Common)	64¾	64⅜
International Match, Pfd.	99⅛	99
International Nickel (Common)	90¼	90⅝
International Products Corp. (Common)	13⅛	12⅝
International Products Corp., Pfd.	75½	77
International Telephone & Teleg.	164	166
Kelvinator	14	13¾
Liggett & Myers, Class "B"	83	84
Loews Inc.	51½	51⅛ Ex. S. D.
Lorillard Company (Common)	26⅝	26½
Mack Trucks (Common)	91	89
Madison Square Garden	29¼	28⅜
New York Air Brake Co.	41½	None
New York Central (Common)	170	170¼
North German Lloyd 6's 1947	93	92½
Pacific Gas & Electric Co.	46⅛	46
Packard Motor Car Co. (Common)	72¼	72⅛
Pennsylvania Railroad	63⅞	63½
Radio Corporation	170¼	170½
Remington Rand (Common)	28¼	28¼
Reynolds Tobacco, "B"	130⅛	130¼
Sears, Roebuck & Co.	101⅜	106¼
Standard Gas & Electric (Common)	64½	64
Standard Oil of California	56	56
Standard Oil of Indiana	73⅛	73⅛
Standard Oil of New Jersey	42¾	43
Standard Oil of New York	33¾	34⅛
Texas Corporation (Common)	58	58½
Texas Gulf Sulphur	64⅛	63⅞
Timken Roller Bearing	116½	117
Union Carbide	141¾	141⅞
Union Pacific Railroad (Common)	190¼	190¼
United States Leather	62¾	62
United States Realty & Imp Co.	80¼	80¼
United States Rubber (Common)	32⅝	30⅛
United States Rubber, 8% Pfd.	62	58⅜
United States Steel	134¼	134⅛
Westinghouse Electric (Common)	91¼	91¼
Underwood Elliott	64⅜	133½
Wright Aeronautical	133⅞	64½

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THE TWO GREAT PILLARS OF OUR PRODUCTS.

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神之無限愉
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煙草公司出品

Chinese Government Railways

Peking-Hankow Line

"The Road Through the Heart of China"

For the safety of the travelling public, guard vans with armed police are provided for every train and more than 400 armed railway policemen are on duty at the various large stations.

To facilitate the passengers in making fast connections, local trains are run between Chengchow and Chang Teh and between Hankow and Kouang Choei.

To meet the demands of the travelling public, third class tickets are sold on the Special Express Trains running between Hankow and Chengchow with only a small additional charge.

For the comfort and convenience of the passengers, the Dining and Sleeping cars are newly embellished with all modern improvements.

For quick transportation of goods, many additional freight trains are scheduled under the supervision of our Traffic Department.

In spite of the urgent demand for troop trains, our regular trains are always operated on scheduled time.

TIME TABLE

TRAIN	DEPART FROM	ARRIVE AT
* 1 Express	Hankow (T.C.M.) Every Monday 10 P.M.	Chengchow Every Tues. 6:55 P.M.
+ 2 Express	Chengchow Every Thurs. 10 P.M.	Hankow (T.C.M.) Every Fri. 8:40 P.M.
‡ 5 Local	Hankow (T.C.M.) 6:10 P.M. Daily	Chengchow 6:43 A.M. Third Day
6 Local	Chengchow 7:15 P.M. Daily	Hankow (T.C.M.) 6:48 A.M. Third Day
51 Local	Chengchow 8:00 A.M. Daily	Chang Teh 5:00 P.M.
52 Local	Chang Teh 8:23 A.M. Daily	Chengchow 5:45 P.M,
74 Local	Hankow (Y.T.M.) 7:30 A.M. Daily	Kouang Choei 1:38 P.M.
75 Local	Kouang Choei 8:00 A.M. Daily	Hankow (Y.T.M.) 2:10 P.M.

REMARKS: *With First and Second Class Sleeping and Dining Cars. +Third Class tickets are sold on this train with a small additional charge. ‡With 1st, 2nd, 3rd Class Cars and Dining Cars.

Telegraphic Address "KINCO" Code A. B. C. 5th Edition. For further information, address Mr. C. H. Yang, Managing Director, Peking-Hankow Line, Hankow.

Lung-Hai and Pien-Lo Lines

In Operation: From Tapu (Haichow) to Lingpao: 825 Kilometers

In Construction: From Lingpao to Sianfu: 225 Kilometers

"The Great Overland Route in China"

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There are many points of historical interest to visit along the line, the best known being Lung-Men with its gigantic display of carved stone Buddhas, dating back from the introduction of Buddhism into China, some 2000 years ago.

The Lunghai and Pienlo Lines are connected at Hsuchow with the Tientsin-Pukow Railway and at Chengchow with the Peking-Hankow Railway.

An "Express" train runs thrice a week between Hsuchow and Chengchow leaving Hsuchow Monday, Wednesday and Friday, and leaving Chengchow Tuesday, Thursday and Saturday. This train is provided with 1st and 2nd class cars, sleeping and dining accommodations.

For further particulars, intending passengers are requested to apply to the Shanghai Office, Lunghai Railway Administration, at the Chung-Foo Bank Building, 25 Jinkee Road.

Shanghai

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